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ANNUAL REPORT 1981—1982



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Summary of the Fiscal Year

1982 1981

GOLDEN GATE BRIDGE

Total Vehicles	35,752,524	36,328,906
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GOLDEN GATE TRANSIT

Bus Passengers	10,688,401	10,753,794
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Ferry Passengers	1,274,671	1,816,731
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GOLDEN GATE RIDESHARING

Club Bus Riders	395,630	381,621
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Vanpool Riders	91,646	157,487
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FINANCIAL SUMMARY

Revenues		
Operating Revenues	\$37,060,397	\$33,605,352
Operating Assistance	6,121,107	7,078,858
Investment Income	3,448,064	2,881,158
Total Revenues	<u>\$46,629,568</u>	<u>\$43,565,368</u>

Expenses:		
Operating	35,657,615	32,688,523
Current Repairs & Maintenance	10,476,631	9,918,752
Bridge Deck Replacement - Net	235,008	278,880
Total Expenses	<u>\$46,369,254</u>	<u>\$42,886,155</u>

Amortization of Capital Grants	<u>1,923,423</u>	<u>2,228,840</u>
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Excess of Revenues Transferred to District Equity	<u>\$2,183,737</u>	<u>\$2,908,053</u>
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OFFICERS • DIRECTORS • MANAGERS

Officers of the District

Carl Daubeneck, President
Manuel Ceballos, First Vice-President
Helen Putnam, Second Vice-President
Dale W. Luehring, General Manager
Carney J. Champion, Secretary
Robert D. Tough, Auditor-Controller
David J. Miller, Attorney
Dan E. Mohn, Engineer

Operating Managers

Bus Transit, H. Donald White
Ferry Transit, Stanley M. Kowleski
Golden Gate Bridge, Robert A. Warren
Ridesharing, Richard H. Ribner

District Board of Directors

CITY/COUNTY OF
SAN FRANCISCO
James R. Bronkema
Manuel Ceballos
Quentel L. Kopp
Stephan C. Leonoudakis
Robert McDonnell
William Moskovitz
John L. Molinari
Louise H. Renne
Carol Ruth Silver

MARIN COUNTY
C. Paul Bettini
Richard E. Boesel, Jr.
Barbara Boxer
Charles H. Curley

SONOMA COUNTY
L.E. "Bud" Castner
Helen Putnam
Allen C. Stansbury

NAPA COUNTY
Lowell Edington

MENDOCINO COUNTY
Carl Daubeneck

DEL NORTE COUNTY
Edwin M. Fraser

TO THE CONSTITUENTS OF THE DISTRICT:

Fiscal year 1982 presented many challenges to the District, some of them man-made and some caused by nature, such as the disastrous storm of January 1982.

At the start of the Fiscal Year we experimented with a variety of tolls in an effort to find a toll scheme which would bring in required revenues while keeping toll plaza traffic congestion to a minimum. A number of public hearings were held to obtain the viewpoints of Bridge patrons to the various toll schemes. Public response indicated a split toll, \$1.00 Sunday through Thursday and \$2.00 Friday and Saturday was the most acceptable. Total Bridge traffic for this Fiscal Year was down 1.59% compared to last Fiscal Year.

The great storm of January 1982 had a major impact on Bridge, Bus and Ferry operations. As a result of slides and flooding in Marin and Sonoma Counties, our bus transit operation was brought to a standstill and the Bridge was closed to traffic at various periods due to mud slides on the Waldo Grade to the north of the Bridge. The Golden Gate Larkspur ferries and Sausalito ferry became literally the only means of transportation to and from Marin and Sonoma Counties. All three Larkspur ferries were pressed into service and several private ferries were chartered. On one day alone, a record 12,275 passengers were carried on the Larkspur service. Golden Gate buses were used to rescue many persons who were stranded in their homes during the storm. The District's Ridesharing Division Personnel worked long hours in setting up vanpooling and carpooling. As a result of efforts made to provide transportation during this difficult period, the District was the recipient of a 1982 Transportation Award from the Metropolitan Transportation Commission.

The first step in a \$56.3 million Bridge deck replacement project was initiated on the Golden Gate Bridge with a contract that replaced three 15' x 50' prototype concrete deck sections with prefabricated orthotropic steel deck sections. The first 15' x 50' section was installed at night in a 9-hour experiment. The section "fit like a glove", confirming that the project was feasible, and traffic could be accommodated with very little inconvenience to the public. The project is being funded by a Federal Highway Administration Grant with the Government paying 80% of the cost and the District 20%.

Steps were taken to increase seat availability on Golden Gate Transit buses. A retrofit program was introduced which increased the number of seats in Golden Gate buses from 45 to 49. This was equivalent to adding 18 additional buses without the associated cost. The Bus Division also took delivery of 16 new General Motors advanced design buses equipped with wheelchair lifts.

Golden Gate Bus Transit celebrated its 10th Anniversary of service on January 8, 1982. Since 1972, District buses have carried more than 95 million passengers. Golden Gate Bus Transit Division continued its excellent maintenance record by receiving, for the 10th consecutive year, the Fleet Owner Maintenance Efficiency Award.

The District received Federal Grant approval in the amount of \$2.1 million towards the diesel conversion of two of the Larkspur Ferry vessels. It is anticipated that when this conversion is completed, there will be a 60% savings in Ferry fuel costs. During the winter months, Larkspur Ferry service was reduced to weekday AM and PM commute service. During the summer months, midday and weekend service was re-introduced.

The Ridesharing Division continues its efforts to encourage carpooling and vanpooling. Twenty-one new vans were purchased to be used in the District's vanpool demonstration program. A carpool program was authorized as well as a flex-pool demonstration service, both funded by the Federal Government. This backup van service provides flexibility to ridesharers who occasionally miss their regular rides. Backup vans are made available after commute hours.

Affirmative Action goals in hiring and Minority Business Enterprise participation were met. The District was publicly lauded by the local Urban Mass Transportation Administration District office for its achievements.

Legislation was introduced which would restructure the Golden Gate Bridge District, impose financial restrictions on the ferry system, and containing labor and affirmative action provisions. However, action on this Bill was postponed until August. In connection with this Bill, the State Legislative Analyst Office performed an audit of the District. Results of the audit indicated the District was performing its functions in an appropriate manner.

In summary, this has been a busy and challenging year. All of the efforts and projects directed for maintaining the Bridge, keeping the flow of traffic at a manageable level, and furnishing a cost-effective transit system, could not have been accomplished without the dedicated efforts of the Board, employees, and the cooperation of the public. We thank you all for your efforts.


Carl Da 1 36707 SP, JFB
President 16 SP 02/16/96 799-
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Deloitte Haskins + Sells

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San Francisco, California 94104
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Telex 340336

AUDITORS' OPINION

The Board of Directors of the
Golden Gate Bridge, Highway and
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District as of June 30, 1982 and 1981 and the related statements of revenues and expenses, fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1982 and 1981 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the change, with which we concur, in the method of accounting for compensated absences as described in Note 3 to the financial statements.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by Division for the years ended June 30, 1982 and 1981 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte Haskins + Sells

September 28, 1982

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1982 AND 1981

	<u>1982</u>	<u>1981</u>
CURRENT ASSETS:		
Cash	\$ 944,369	\$ 1,090,696
Short-term investments	22,825,173	21,060,163
Federal grants receivable	2,040,944	2,853,502
State grants receivable	727,711	
Accounts receivable	658,545	770,619
Maintenance inventories and supplies	2,052,370	1,945,979
Prepaid expenses	130,614	163,147
Total current assets	<u>29,379,726</u>	<u>27,884,106</u>
CURRENT LIABILITIES:		
Trade accounts payable	1,172,926	1,894,904
Accrued liabilities	4,130,713	3,787,410
Uninsured losses	2,502,122	1,749,811
Contract retentions	409,894	342,173
Total current liabilities	<u>8,215,655</u>	<u>7,774,298</u>
NET CURRENT ASSETS	<u>21,164,071</u>	<u>20,109,808</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	4,299,024	4,307,856
Bridge and related buildings and equipment - net	<u>44,069,807</u>	<u>43,846,189</u>
Transit property and equipment:		
Bus	23,023,030	21,890,386
Ferry	37,136,351	36,724,381
Ridesharing	527,727	443,096
Accumulated depreciation	(20,980,115)	(18,420,157)
Net	<u>39,706,993</u>	<u>40,637,706</u>
Construction in progress:		
Bridge	4,680,700	2,438,766
Bus	3,621,114	1,285,516
Ferry	581,853	668,660
Ridesharing		6,049
Total	<u>8,883,667</u>	<u>4,398,991</u>
Property, plant, and equipment - net	<u>96,959,491</u>	<u>93,190,742</u>
NET ASSETS AND FUND EQUITY	<u>\$118,123,562</u>	<u>\$113,300,550</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 1982 AND 1981

	<u>1982</u>	<u>1981</u>
REVENUES:		
Operating revenues:		
Bridge	\$21,308,222	\$18,976,804
Bus	12,417,503	11,048,423
Ferry	2,448,340	2,860,595
Ridesharing	886,332	719,530
Total operating revenues	<u>37,060,397</u>	<u>33,605,352</u>
Operating assistance:		
State	4,507,863	5,398,964
Federal	1,613,244	1,679,894
Total operating assistance	<u>6,121,107</u>	<u>7,078,858</u>
Investment income	3,448,064	2,881,158
Total revenues	<u>46,629,568</u>	<u>43,565,368</u>
EXPENSES:		
Operating expenses:		
Bridge	5,536,427	4,826,847
Bus	22,113,378	19,215,619
Ferry	6,056,624	7,025,906
Ridesharing	1,951,186	1,620,151
Total operating expenses	<u>35,657,615</u>	<u>32,688,523</u>
Current repairs and maintenance:		
Bridge	4,521,823	3,938,803
Bus	4,841,209	3,916,009
Ferry	1,113,599	2,063,940
Bridge deck replacement - net	235,008	278,880
Total repairs and maintenance	<u>10,711,639</u>	<u>10,197,632</u>
Total expenses	<u>46,369,254</u>	<u>42,886,155</u>
EXCESS OF REVENUES OVER EXPENSES	260,314	679,213
AMORTIZATION OF CAPITAL GRANTS	<u>1,923,423</u>	<u>2,228,840</u>
EXCESS OF REVENUES OVER EXPENSES TRANSFERRED TO DISTRICT EQUITY	<u>\$ 2,183,737</u>	<u>\$ 2,908,053</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FUND EQUITY
FOR THE YEARS ENDED JUNE 30, 1982 AND 1981

	<u>DISTRICT EQUITY</u>	<u>CAPITAL GRANT EQUITY</u>	<u>TOTAL FUND EQUITY</u>
BALANCE, JULY 1, 1980, AS PREVIOUSLY REPORTED	\$79,117,465	\$34,599,167	\$113,716,632
ADJUSTMENT FOR RETROACTIVE CHANGE IN ACCOUNTING FOR COMPENSATED ABSENCES	(2,083,000)		(2,083,000)
BALANCE, JULY 1, 1980, AS RESTATED	77,034,465	34,599,167	111,633,632
EXCESS OF REVENUES OVER EXPENSES TRANSFERRED TO DISTRICT EQUITY	2,908,053		2,908,053
AMORTIZATION OF CAPITAL GRANTS		(2,228,840)	(2,228,840)
CAPITAL GRANTS:			
Bridge		159,495	159,495
Bus		442,486	442,486
Ferry		110,582	110,582
CONTRIBUTION OF VANPOOL ASSETS	101,575	173,567	275,142
BALANCE, JUNE 30, 1981	80,044,093	33,256,457	113,300,550
EXCESS OF REVENUES OVER EXPENSES TRANSFERRED TO DISTRICT EQUITY	2,183,737		2,183,737
AMORTIZATION OF CAPITAL GRANTS		(1,923,423)	(1,923,423)
CAPITAL GRANTS:			
Bridge		1,376,797	1,376,797
Bus		3,123,211	3,123,211
Ferry		62,690	62,690
BALANCE, JUNE 30, 1982	\$82,227,830	\$35,895,732	\$118,123,562

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION
FOR THE YEARS ENDED JUNE 30, 1982 AND 1981

	<u>TOTAL</u>		<u>BRIDGE DIVISION</u>	
	<u>1982</u>	<u>1981</u>	<u>1982</u>	<u>1981</u>
REVENUES:				
Operating revenues	<u>\$37,060,397</u>	<u>\$33,605,352</u>	<u>\$21,308,222</u>	<u>\$18,976,801</u>
Operating assistance:				
State	4,507,863	5,398,964		
Federal	1,613,244	1,679,894		
Total operating assistance	<u>6,121,107</u>	<u>7,078,858</u>		
Investment income	<u>3,448,064</u>	<u>2,881,158</u>	<u>3,448,064</u>	<u>2,881,158</u>
Total revenues	<u>46,629,568</u>	<u>43,565,368</u>	<u>24,756,286</u>	<u>21,857,911</u>
EXPENSES:				
Operating expenses	35,657,615	32,688,523	5,536,427	4,826,841
Current repairs and maintenance	10,476,631	9,918,752	4,521,823	3,938,804
Bridge deck replacement - net	<u>235,008</u>	<u>278,880</u>	<u>235,008</u>	<u>278,880</u>
Total expenses	<u>46,369,254</u>	<u>42,886,155</u>	<u>10,293,258</u>	<u>9,044,525</u>
EXCESS OF REVENUES (EXPENSES)	260,314	679,213	14,463,028	12,813,416
AMORTIZATION OF CAPITAL GRANTS	<u>1,923,423</u>	<u>2,228,840</u>		
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO DISTRICT EQUITY	<u>\$ 2,183,737</u>	<u>\$ 2,908,053</u>	<u>\$14,463,028</u>	<u>\$12,813,416</u>

.....BUS DIVISION.....	FERRY DIVISION.....		. RIDESHARING DIVISION.	
<u>1982</u>	<u>1981</u>	<u>1982</u>	<u>1981</u>	<u>1982</u>	<u>1981</u>
\$12,417,503	\$11,048,423	\$ 2,448,340	\$ 2,860,595	\$ 886,332	\$ 719,530
3,892,188	4,628,346	600,689	770,618	14,986	
1,134,977	1,129,754	404,480	425,496	73,787	124,644
5,027,165	5,758,100	1,005,169	1,196,114	88,773	124,644
<u>17,444,668</u>	<u>16,806,523</u>	<u>3,453,509</u>	<u>4,056,709</u>	<u>975,105</u>	<u>844,174</u>
22,113,378	19,215,619	6,056,624	7,025,906	1,951,186	1,620,151
4,841,209	3,916,009	1,113,599	2,063,940		
<u>26,954,587</u>	<u>23,131,628</u>	<u>7,170,223</u>	<u>9,089,846</u>	<u>1,951,186</u>	<u>1,620,151</u>
(9,509,919)	(6,325,105)	(3,716,714)	(5,033,137)	(976,081)	(775,977)
<u>1,097,878</u>	<u>1,326,245</u>	<u>789,877</u>	<u>803,000</u>	<u>35,668</u>	<u>99,595</u>
<u>\$ (8,412,041)</u>	<u>\$ (4,998,860)</u>	<u>\$ (2,926,837)</u>	<u>\$ (4,230,137)</u>	<u>\$ (940,413)</u>	<u>\$ (676,382)</u>

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 1982 AND 1981

	<u>1982</u>	<u>1981</u>
SOURCE OF FUNDS:		
Operations:		
Excess of revenues over expenses	\$ 260,314	\$ 679,213
Nonfund charges - depreciation and amortization	2,761,319	3,165,970
Funds provided by operations	<u>3,021,633</u>	<u>3,845,183</u>
Federal grants - Bridge deck replacement	783,141	1,115,520
Capital grants:		
Bridge	1,376,797	159,495
Bus	3,123,211	442,486
Ferry	62,690	110,582
Disposals of property	219,251	225,855
Contribution of vanpool assets	275,142	
Total funds provided	<u>8,586,723</u>	<u>6,174,263</u>
APPLICATION OF FUNDS:		
Acquisition of property, plant, and equipment:		
Bridge	2,629,643	791,822
Bus	3,471,947	665,248
Ferry	368,251	326,059
Ridesharing	279,478	205,449
Bridge deck replacement	783,141	1,115,520
Total funds applied	<u>7,532,460</u>	<u>3,104,098</u>
INCREASE IN NET CURRENT ASSETS	<u>\$1,054,263</u>	<u>\$3,070,165</u>
INCREASE (DECREASE) IN NET CURRENT ASSETS BY ELEMENT:		
Cash	\$ (146,327)	\$ 823,252
Short-term investments	1,765,010	1,572,240
Federal grants receivable	(812,558)	657,754
State grants receivable	727,711	(828,573)
Other current assets	(38,216)	173,295
Trade accounts payable	721,978	(158,970)
Accrued liabilities	(343,303)	747,983
Uninsured losses	(752,311)	(254,236)
Contract retentions	(67,721)	337,420
INCREASE IN NET CURRENT ASSETS	<u>\$1,054,263</u>	<u>\$3,070,165</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant, and Equipment - The Bridge, related buildings, and equipment are carried at cost. No depreciation has been provided on the Bridge and related buildings since, in the opinion of management, the assets will be maintained to provide indefinite useful lives. Maintenance and repairs, including major repairs and replacements (reduced by Federal grants), are expensed as incurred. No depreciation has been provided on Bridge equipment acquired prior to July 1, 1976; equipment acquired subsequent to this date is being depreciated over estimated useful lives ranging from 3 to 20 years. (Accumulated depreciation: 1982, \$308,845; 1981, \$211,961).

Transit property and equipment are carried at cost and depreciated by the straight-line method over their estimated useful lives (buses, 10 years; ferry boats, 40 years). Depreciation on equipment acquired by capital grants is included in expense; a credit reflecting amortization of the related capital grants is included in the excess of revenues over expenses transferred to District equity. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Major additions are capitalized.

The costs of acquisition and construction of equipment and facilities are recorded in construction in progress until such assets are placed in service, at which time depreciation and amortization of capital grants are recorded.

Short-term investments are stated at cost which approximates market value.

Pension Plans - The District participates in several pension plans covering all employees. Certain union members are covered under various union administered multiemployer plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. Pension contributions are based on rates established by negotiated labor contracts or by administrators of the plans. The District's policy is to fund pension costs as accrued. Pension expense for the years ended June 30, 1982 and 1981 was \$3,040,600 and \$2,268,000, respectively. Information from the plans' administrators is not available to permit the District to determine its share of unfunded vested benefits.

3. ACCOUNTING CHANGE AND RECLASSIFICATIONS

During fiscal 1982 the District adopted Statement of Financial Accounting Standards No. 43, "Accounting for Compensated Absences", which requires recognition of a liability for vacation and sick pay earned but not taken. Previously the District had expensed such benefits when paid. This accounting change decreased the District's 1982 excess of revenues over expenses by approximately \$404,000. Financial statements for years prior to 1982 have been retroactively adjusted, resulting in a decrease of \$282,000 in previously reported 1981 excess of revenues over expenses and a reduction of fund equity for the cumulative effect of the accounting change through July 1, 1980.

The statements of revenues and expenses have been reclassified so that amortization of capital grants is reported as a credit to District equity, in accordance with Statement No. 1 of the National Council on Governmental Accounting, rather than a reduction of operating expenses. The statements of fund equity have been expanded in order to report the components of fund equity.

4. STATE TRANSPORTATION DEVELOPMENT ACT FUNDS

Included in State operating assistance are \$4,492,877 and \$5,072,324 of State Transportation Development Act (TDA) funds received by the District for the years ended June 30, 1982 and 1981, respectively. These funds are received from Marin, Sonoma, and San Francisco counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission.

5. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,613,244 and \$1,679,894 of Federal operating assistance for the years ended June 30, 1982 and 1981, respectively. These funds are distributed to the District by UMTA after approval by the Metropolitan Transportation Commission. The 1982 funds are subject to final review and the District anticipates that they will be approved in full.

6. TRANSIT CAPITAL GRANTS

The District has received grants from the Urban Mass Transportation Administration (UMTA) which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The District also receives grants under State Transit Assistance and Federal Aid Urban System programs primarily for the acquisition of buses and related facilities. These grants, less related amortization, are included in capital grant equity and are summarized at June 30, 1982 as follows:

	Bus and Ridesharing Divisions	Ferry Division
Total approved project cost	<u>\$30,369,559</u>	<u>\$41,602,032</u>
Total approved capital grants	<u>\$21,767,097</u>	<u>\$30,318,533</u>
Less grants received or receivable	<u>20,430,320</u>	<u>27,735,276</u>
Remaining grants available	<u>\$ 1,336,777</u>	<u>\$ 2,583,257</u>
Grants credited to capital grant equity:		
Total, July 1, 1981	<u>\$17,307,109</u>	<u>\$27,672,586</u>
Additions in 1982:		
Urban Mass Transportation Administration	1,391,801	(21,546)
State Transit Assistance	1,673,056	84,236
Federal Aid Urban System	58,354	
Total, June 30, 1982	<u>20,430,320</u>	<u>27,735,276</u>
Less amounts amortized	<u>(10,524,552)</u>	<u>(4,075,053)</u>
Net grants in capital grant equity	<u>\$ 9,905,768</u>	<u>\$23,660,223</u>

Expenditures of capital grant funds are subject to final review by the grantor agencies. At June 30, 1982 expenditures of approximately \$44,729,159 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$3,436,437) will be approved in full.

7. BRIDGE DECK REPLACEMENT GRANT

Within the next four years the District intends to replace the Bridge roadway and sidewalk and make certain structural and other improvements at a currently estimated cost of approximately \$56.3 million. The District has a grant contract with the State of California Department of Transportation (Caltrans) through which it expects to receive Federal Highway Assistance funding for 80% of the project cost. Bridge deck replacement costs, reduced by related grants, are included in expense. Bridge improvement costs are capitalized, and the related grants are included in capital grant equity. This grant is summarized at June 30, 1982 as follows:

	Bridge Deck Replacement	Bridge Improvements
Project costs incurred:		
Current year	\$1,018,149	\$1,720,996
Prior years	<u>1,394,400</u>	<u>1,204,129</u>
Total	<u>\$2,412,549</u>	<u>\$2,925,125</u>
Grants received:		
Current year	\$ 783,141	\$1,376,797
Prior years	<u>1,115,520</u>	<u>952,944</u>
Total, reported as:		
Reduction of expense	<u>\$1,898,661</u>	
Capital grant equity		<u>\$2,329,741</u>

Caltrans pays project costs and is reimbursed by the District for its share. The District has deposited \$1,100,00 in an escrow account as security for this arrangement.

8. COMMITMENTS AND CONTINGENCIES

At June 30, 1982 the District had commitments of approximately \$1,650,000 related to the Bridge deck replacement project and approximately \$850,000 for transit equipment and other projects.

There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. The District maintains insurance coverage for such incidents, and provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies.

9. DISTRICT-RESTRICTED FUNDS

The Board of Directors has restricted portions of the District's available funds for replacement of the Bridge deck and transit equipment and for other anticipated expenditures or possible emergencies. An analysis of District-restricted funds at June 30, 1982 and 1981 follows:

	<u>1982</u>	<u>1981</u>
Net current assets	\$21,164,071	\$20,109,808
Add (deduct):		
Accrued compensated absences	2,769,000	2,365,000
Maintenance inventories and supplies	(2,052,370)	(1,945,979)
Prepaid expenses	(130,614)	(163,147)
Total available funds	<u>21,750,087</u>	<u>20,365,682</u>
Less District-imposed restrictions for:		
Replacement of Bridge deck	6,970,048	6,098,923
Replacement of buses and ferry boats	4,448,546	3,631,325
Insurance claims	1,270,194	1,270,194
Ferry channel dredging	437,500	437,500
Special transit vehicles		429,169
Other	95,647	14,769
Emergencies	5,000,000	5,000,000
Total restricted funds	<u>18,221,935</u>	<u>16,881,880</u>
Total unrestricted funds	<u><u>\$ 3,528,152</u></u>	<u><u>\$ 3,483,802</u></u>

10. ALLOCATION OF DISTRICT DIVISION EXPENSE

District Division expense has been allocated to the operating divisions by resolution of the Board of Directors as follows:

	<u>1982</u>	<u>1981</u>
Bridge	\$1,651,000	\$1,318,000
Bus	2,089,000	1,418,000
Ferry	459,000	891,000
Ridesharing	143,000	122,000
Total	<u>\$4,342,000</u>	<u>\$3,749,000</u>



GOLDEN GATE BRIDGE HIGHWAY AND TRANSPORTATION DISTRICT

COVER PHOTOGRAPH BY MUSH EMMONS

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ANNUAL REPORT

1982-1983

GOLDEN GATE BRIDGE, HIGHWAY
AND TRANSPORTATION DISTRICT



The Golden Gate before the Bridge. "To this Gate, I gave the name *Chrysopyle*, or Golden Gate, for the same reasons that the harbor of Byznatium (now Istanbul) was named *Chrysoceras*, or Golden Horn." — John C. Fremont



August 1933. San Francisco west anchorage. The formwork and reinforcing bars are for the weight block.



August 1933. Trestle to south tower pier. Across the Golden Gate, on the Marin shore, is the pier for the north tower.



December 1933. North tower. The tower on the Marin shore is well underway. Lime Point Lighthouse is to the right.

50 YEARS AGO

Summary of the Fiscal Year

	1983 (000)	1982 (000)
GOLDEN GATE BRIDGE		
Total Vehicles	36,990	35,753
GOLDEN GATE TRANSIT & RIDESHARING		
Bus Passengers	10,038	10,688
Ferry Passengers	1,070	1,275
Club Bus Riders	400	396
Vanpool Riders	96	92
FINANCIAL SUMMARY		
Revenues		
Operating Revenues	\$39,150	\$37,061
Operating Assistance	6,713	6,121
Investment Income	2,610	3,448
Total Revenues	<u>\$48,473</u>	<u>\$46,630</u>
Expenses:		
Operating	38,157	36,230
Repairs & Maintenance	<u>11,226</u>	<u>10,477</u>
Total Expenses	<u>\$49,383</u>	<u>\$46,707</u>
Amortization of Capital Grants	1,935	1,923
Excess of Revenues Transferred to District Equity	<u>\$1,025</u>	<u>\$1,846</u>

Officers • Directors • Managers

Officers of the District

Carl Daubeneck, President
 Manuel Ceballos, First Vice-President
 Helen Putnam, Second Vice-President
 Dale W. Luehring, General Manager
 Carney J. Campion, Secretary
 Robert D. Tough, Auditor-Controller
 David J. Miller, Attorney
 Daniel E. Mohn, Engineer

Operating Managers

Bus Transit, H. Donald White
 Ferry Transit, Stanley M. Kowleski
 Bridge, Robert A. Warren
 Ridesharing, William E. Gaut

District Board of Directors

CITY/COUNTY OF SAN FRANCISCO
 James R. Bronkema
 Manuel Ceballos
 Quentin L. Kopp
 Stephan C. Leonoudakis
 Robert McDonnell
 John L. Molinari
 Louise H. Renne
 Robert Ross
 Carol Ruth Silver

MARIN COUNTY
 C. Paul Bettini
 Gary T. Giacomini
 Richard D. Spotswood
 Robert Stockwell

SONOMA COUNTY
 William H. Barone
 L.E. "Bud" Castner
 Helen Putnam

NAPA COUNTY
 Lowell Edington

MENDOCINO COUNTY
 Carl Daubeneck

DEL NORTE COUNTY
 Edwin M. Fraser

President's Message

Fiscal year 1982/83 was a remarkable and eventful year for the Golden Gate Bridge, Highway and Transportation District — a milestone year during which the District:

- Awarded a construction contract to replace the original roadway and sidewalks of the Golden Gate Bridge
- Acquired one mile of abandoned Northwestern Pacific Railroad right-of-way from Corte Madera Creek to southern San Rafael
- Purchased a 1.5 acre parcel in Larkspur Landing, adjacent to the railroad right-of-way
- Reached agreement with the City of San Rafael Redevelopment Agency on selection of a site for the proposed San Rafael Transportation Center, adjoining the railroad right-of-way
- Implemented important bus service and route changes in Marin and Sonoma Counties
- Awarded a contract for the conversion of the District's three Larkspur ferries from gas turbine waterjet to diesel twin-screw propulsion
- Placed an order for 51 new suburban type Advanced Design coaches.

These actions are consistent with the District's primary mission: the safe and efficient operation of the Golden Gate Bridge and the provision of mass transportation services to reduce congestion on the Bridge and its approaches.

Traffic and Safety Improvement Task Force

The safety of motorists crossing the Golden Gate Bridge is of paramount concern to the District. A Task Force, comprised of District Directors and staff, representatives from Caltrans, and the California Highway Patrol was established to:

- Review speed limit regulations, the adequacy of enforcement, and recommend applicable regulatory changes.
- Review and evaluate the feasibility of a movable barrier
- Examine the feasibility and structural capacity of the Bridge to accommodate a second deck including cost estimates and consideration of legislative needs

Northwestern Pacific Railroad Right-of-Way

District policy calls for key sections of the Northwestern Pacific Railroad Right-of-Way parallel to U. S. 101 to be acquired for public transit purposes, as it becomes available, from Corte Madera to Highway 37 in Novato. In the summer of 1982, Southern Pacific announced its intention to abandon 2.5 miles of the right-of-way in central Marin. As lead agency for the Northwestern Pacific Railroad Interagency Task Force, the District moved ahead, and in February 1983,

acquired one mile of the right-of-way between southern San Rafael and Corte Madera Creek, with an option to purchase an additional 1.5 miles south of Corte Madera Creek.

San Rafael Transportation Center Site

The year 1983 saw the conclusion of an eight year effort to select a site for the proposed San Rafael Transportation Center that is mutually acceptable to the City of San Rafael, the County of Marin, and the District. The site will offer greater passenger convenience, lower transit operating costs, and adjacency to the Northwestern Pacific Railroad right-of-way.

Marin and Sonoma County Bus Service Changes

Faced with large deficits, the Marin County Transit District asked the Bridge District to assume operation of local bus service in Marin County for a one-year trial period commencing July 1, 1983. In exchange, the MCTD will transfer to the Bridge District its revenues for that period. Concurrently, Marin County basic transbay and local bus service was restructured to reduce service costs to match the revenue from the County.

The Sonoma County Board of Supervisors requested the District to withdraw local bus service in Sonoma, so that the County itself could provide local service.

Public hearings were held in Marin and Sonoma Counties by all involved agencies before implementing service and route changes.

Commemoration of the Start of Bridge Construction

The Golden Gate Bridge celebrated the 50th anniversary of the start of its construction on January 5, 1983. Commemoration of this date attracted international media attention. Several thousand people viewed an exhibit of historical photos, memorabilia, and contemporary children's art relating to Bridge construction.

District Staff

I wish to acknowledge the contribution of all the employees of the Golden Gate Bridge, Highway and Transportation District during the past year. The Board of Directors is grateful for our conscientious and responsible staff who have made 1983 a year of milestones.



Carl Daubeneck
President of the Board



Aerial View of: Northwestern Pacific Railroad Right of Way (ABCD), 1.5 miles purchased (BC), one mile portion south to Paradise Drive (AB) under option to purchase, portion north to Highway 37 (CD), adjacent land parcel purchased at Larkspur Landing (E); proposed San Rafael Transportation Center site (F); existing Golden Gate Transit headquarters (G); Larkspur Ferry Terminal (H).



The period 1983-1987 celebrates the 50th anniversary of the construction of the Golden Gate Bridge. A floral display in San Francisco's Golden Gate Park commemorates the event.



Work to replace the sidewalks and roadway of the Bridge began this year. Here workers remove curbwork in preparation of installation of a new sidewalk at the Marin end of the Bridge.



Fifty-one new Advanced Design Buses with comfortable high-backed seats were ordered.



The Larkspur Ferries' gas turbine engines will be replaced with diesels. This will result in substantial savings in fuel costs, which will permit service schedules to be expanded.



Vanpool and other Ridesharing programs relieve the highways of 7,300 cars during morning commute hours.



Golden Gate Bridge traffic averaged 101,343 vehicles per day during the 1982-1983 fiscal year.

General Manager's Report

Bridge Traffic

It is evident that the saturation point for morning and evening commute traffic is close at hand.

Traffic on the Bridge increased 3.46% during fiscal year 1982-83 to a record total of 36,990,346 vehicles. On June 13, 1983, 117,560 cars crossed the span, the second highest day since the Bridge opened. On many days, over 7,200 vehicles passed through the toll plaza during the peak 7-8 am period.

The single passenger vehicle count increased steadily, averaging 16,500 per day. Correspondingly, commute bus patronage decreased by approximately 1,000 passengers a day — a situation not unique to Golden Gate Transit. The weak 1982 economy and declining fuel prices contributed to a nationwide drop in the use of public transit.

Bridge Closed Due to High Winds

On December 22, 1982, for the second time in its history, high winds were responsible for the closure of the Golden Gate Bridge to all traffic. The hazard of light trucks and vans being blown over by the 68 mph winds caused the Bridge to be closed from 4:21 pm to 6:00 pm. The Bridge functioned as anticipated by the engineers and suffered no damage from the winds.

With the Bridge closed, the Ferry Transit Division assumed the responsibility of transporting northbound commuters. The Division ferried 3,549 passengers, triple the average evening patronage.

Bridge Maintenance and Roadway Replacement

On November 12, 1982, a construction contract for the Golden Gate Bridge Deck and Sidewalk Replacement Project was awarded to Dillingham-Tokola, a joint venture, of Pleasanton, California, for \$52,495,000. The Federal Highway Administration is funding approximately 80% of the total project costs of \$61,095,000.

Seismic upgrading of both the San Francisco and Marin approaches to the Bridge was completed in September of 1982. Underwater inspection of the Bridge piers and fenders was also completed. Consultant Woodward-Clyde reported that the piers are sound and their structural integrity is not in question.

Bus Transit Fleet Expansion

Replacement and expansion of the Golden Gate Transit bus fleet proceeded on schedule. Contracts were awarded to General Motors Corporation to purchase 51 new suburban type Advanced Design coaches for \$10.1 million. All new buses will be equipped to accommodate wheelchairs.

At the San Rafael Bus Transit Facility, design is underway

to expand the administration building and the maintenance shop.

Diesel Conversion of the Larkspur Ferries

The long awaited contract to convert the District's three 725-passenger aluminum vessels from gas turbine-waterjet to diesel twin-screw propulsion was awarded during 1983. The total contract bid by Southwest Marine of San Diego, California was \$4,990,310.

Ridesharing Programs

The year 1983 marked the beginning of new promotion strategies for Ridesharing. Employer outreach programs encouraged North Bay firms to form company vanpools, and quarterly toll booth handouts promoted ridesharing to single occupant vehicle commuters. A Home-End marketing campaign to North Bay households generated 1,565 ridesharing applicants. A personalized response system determined the most appropriate alternative for their needs.

As a result, fifty new Golden Gate Vanpool groups were formed. In the North Bay, 186 Golden Gate Ridesharing owner-operated and private company vanpools carried over 2,000 commuters a day.

District Employees

The accomplishments of the past year are a tribute to the motivation of our District employees who strive to maintain the District's high standards of service.



Dale Luehring
General Manager

Deloitte Haskins + Sells

44 Montgomery Street
San Francisco, California 94104
(415) 393-4300
Telex 340336

AUDITORS' OPINION

The Board of Directors of the
Golden Gate Bridge, Highway and
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District as of June 30, 1983 and 1982 and the related statements of revenues and expenses, fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1983 and 1982 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the change, with which we concur, in the method of accounting for Bridge depreciation as described in Note 3 to the financial statements.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by Division for the years ended June 30, 1983 and 1982 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte Haskins + Sells

September 16, 1983
(October 13, 1983 as to Note 8)

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1983 AND 1982 (In Thousands)

	<u>1983</u>	<u>1982</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 743	\$ 944
Short-term investments	23,679	22,825
Federal and State grants receivable	1,512	2,769
Accounts receivable	1,274	659
Maintenance inventories and supplies	1,722	2,052
Prepaid expenses	192	131
Total current assets	<u>29,122</u>	<u>29,380</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	5,585	4,299
Bridge, related buildings and equipment	54,305	51,288
Accumulated depreciation	(22,229)	(21,541)
Net	<u>32,076</u>	<u>29,747</u>
Transit property and equipment:		
Bus	27,351	23,023
Ferry	37,130	37,136
Ridesharing	458	528
Accumulated depreciation	(25,801)	(20,980)
Net	<u>39,138</u>	<u>39,707</u>
Construction in progress	<u>15,241</u>	<u>11,428</u>
Property, plant, and equipment - net	<u>92,040</u>	<u>85,181</u>
TOTAL ASSETS	<u>\$121,162</u>	<u>\$114,561</u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	\$ 1,914	\$ 1,173
Accrued liabilities	3,587	3,631
Uninsured losses	1,141	902
Contract retentions	374	410
Total current liabilities	<u>7,016</u>	<u>6,116</u>
NONCURRENT LIABILITIES	2,750	2,100
FUND EQUITY	111,396	106,345
TOTAL LIABILITIES AND FUND EQUITY	<u>\$121,162</u>	<u>\$114,561</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 1983 AND 1982 (In Thousands)

	<u>1983</u>	<u>1982</u>
REVENUES:		
Operating revenues:		
Bridge	\$22,695	\$21,308
Bus:		
Bus Transit	13,256	12,418
Club Bus	820	682
Ferry	2,236	2,449
Ridesharing	143	204
Total operating revenues	<u>39,150</u>	<u>37,061</u>
Operating assistance:		
State	5,651	4,508
Federal	1,062	1,613
Total operating assistance	<u>6,713</u>	<u>6,121</u>
Investment income	2,610	3,448
Total revenues	<u>48,473</u>	<u>46,630</u>
EXPENSES:		
Operating expenses:		
Bridge	6,870	6,109
Bus:		
Bus Transit	23,121	22,113
Club Bus	1,320	1,189
Ferry	6,204	6,057
Ridesharing	642	762
Total operating expenses	<u>38,157</u>	<u>36,230</u>
Current repairs and maintenance:		
Bridge	4,877	4,522
Bus	5,411	4,841
Ferry	1,231	1,114
Ferry litigation settlement - net	(293)	
Total repairs and maintenance	<u>11,226</u>	<u>10,477</u>
Total expenses	<u>49,383</u>	<u>46,707</u>
EXCESS OF EXPENSES OVER REVENUES	(910)	(77)
AMORTIZATION OF CAPITAL GRANTS	<u>1,935</u>	<u>1,923</u>
EXCESS OF REVENUES OVER EXPENSES TRANSFERRED TO DISTRICT EQUITY	<u>\$ 1,025</u>	<u>\$ 1,846</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FUND EQUITY
FOR THE YEARS ENDED JUNE 30, 1983 AND 1982 (In Thousands)

	<u>DISTRICT EQUITY</u>	<u>CAPITAL GRANT EQUITY</u>	<u>TOTAL FUND EQUITY</u>
BALANCE, JULY 1, 1981, AS PREVIOUSLY REPORTED	\$80,044	\$33,257	\$113,301
ADJUSTMENT FOR RETROACTIVE CHANGE IN ACCOUNTING FOR BRIDGE DEPRECIATION	(13,340)	1,115	(12,225)
BALANCE, JULY 1, 1981, AS RESTATED	66,704	34,372	101,076
EXCESS OF REVENUES OVER EXPENSES TRANSFERRED TO DISTRICT EQUITY	1,846		1,846
AMORTIZATION OF CAPITAL GRANTS		(1,923)	(1,923)
CAPITAL GRANTS:			
Bridge		2,160	2,160
Bus		3,123	3,123
Ferry	63		63
BALANCE, JUNE 30, 1982	68,550	37,795	106,345
EXCESS OF REVENUES OVER EXPENSES TRANSFERRED TO DISTRICT EQUITY	1,025		1,025
AMORTIZATION OF CAPITAL GRANTS		(1,935)	(1,935)
ADJUSTMENT OF FERRY CAPITAL GRANT		(1,884)	(1,884)
CAPITAL GRANTS:			
Bridge	6,861	6,861	
Bus	935	935	
Ferry	49		49
BALANCE, JUNE 30, 1983	\$69,575	\$41,821	\$111,396

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 1983 AND 1982 (In Thousands)

	<u>1983</u>	<u>1982</u>
SOURCE OF FUNDS:		
Operations:		
Excess of expenses over revenues	\$ (910)	\$ (77)
Nonfund charges:		
Depreciation and amortization	3,376	3,333
Adjustment of ferry carrying value	348	49
Funds provided by operations	<u>2,814</u>	<u>3,256</u>
Capital grants:		
Bridge	6,861	2,160
Bus	935	3,123
Ferry	49	63
Increase in noncurrent liabilities	650	650
Disposals of property	547	219
Total funds provided	<u>11,856</u>	<u>9,471</u>
APPLICATION OF FUNDS:		
Acquisition of property, plant, and equipment:		
Bridge	10,024	3,648
Bus	2,875	3,472
Ferry	103	368
Ridesharing	12	279
Total funds applied	<u>13,014</u>	<u>7,767</u>
INCREASE (DECREASE) IN NET CURRENT ASSETS	<u><u>\$(1,158)</u></u>	<u><u>\$1,704</u></u>
INCREASE (DECREASE) IN NET CURRENT ASSETS BY ELEMENT:		
Cash	\$ (201)	\$ (147)
Short-term investments	854	1,765
Federal and State grants receivable	(1,257)	(85)
Other current assets	346	(38)
Trade accounts payable	(741)	722
Accrued liabilities	44	(243)
Uninsured losses	(239)	(202)
Contract retentions	36	(68)
INCREASE (DECREASE) IN NET CURRENT ASSETS	<u><u>\$(1,158)</u></u>	<u><u>\$1,704</u></u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION
FOR THE YEARS ENDED JUNE 30, 1983 AND 1982 (In Thousands)

	TOTAL		BRIDGE DIVISION	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
REVENUES:				
Operating revenues	<u>\$39,150</u>	<u>\$37,061</u>	<u>\$22,695</u>	<u>\$21,308</u>
Operating assistance:				
State	5,651	4,508		
Federal	<u>1,062</u>	<u>1,613</u>		
Total operating assistance	<u>6,713</u>	<u>6,121</u>		
Investment income	<u>2,610</u>	<u>3,448</u>	<u>2,610</u>	<u>3,448</u>
Total revenues	<u>48,473</u>	<u>46,630</u>	<u>25,305</u>	<u>24,756</u>
EXPENSES:				
Operating expenses	38,157	36,230	6,870	6,109
Current repairs and maintenance	11,519	10,477	4,877	4,522
Ferry litigation settlement - net		(293)		
Total expenses	<u>49,383</u>	<u>46,707</u>	<u>11,747</u>	<u>10,631</u>
EXCESS OF REVENUES (EXPENSES)	(910)	(77)	13,558	14,125
AMORTIZATION OF CAPITAL GRANTS				
	<u>1,935</u>	<u>1,923</u>		
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO DISTRICT EQUITY	<u>\$ 1,025</u>	<u>\$ 1,846</u>	<u>\$13,558</u>	<u>\$14,125</u>

.....BUS DIVISION.....				FERRY DIVISION		RIDESHARING ..DIVISION..	
...BUS TRANSIT...		...CLUB BUS...		<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
\$13,256	\$12,418	\$ 820	\$ 682	\$ 2,236	\$ 2,449	\$ 143	\$ 204
5,009	3,892			642	601		15
762	1,135			171	404	129	74
<u>5,771</u>	<u>5,027</u>			<u>813</u>	<u>1,005</u>	<u>129</u>	<u>89</u>
<u>19,027</u>	<u>17,445</u>	<u>820</u>	<u>682</u>	<u>3,049</u>	<u>3,454</u>	<u>272</u>	<u>293</u>
23,121	22,113	1,320	1,189	6,204	6,057	642	762
5,411	4,841			1,231	1,114		
<u>28,532</u>	<u>26,954</u>	<u>1,320</u>	<u>1,189</u>	<u>(293)</u>	<u>7,142</u>	<u>7,171</u>	<u>642</u>
(9,505)	(9,509)	(500)	(507)	(4,093)	(3,717)	(370)	(469)
<u>1,124</u>	<u>1,098</u>	<u>—</u>	<u>—</u>	<u>795</u>	<u>790</u>	<u>16</u>	<u>35</u>
<u>\$ (8,381)</u>	<u>\$ (8,411)</u>	<u>\$ (500)</u>	<u>\$ (507)</u>	<u>\$ (3,298)</u>	<u>\$ (2,927)</u>	<u>\$ (354)</u>	<u>\$ (434)</u>

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant, and Equipment - The Bridge and related buildings and equipment are carried at cost and depreciated by the straight-line method over the following estimated useful lives: Bridge structural components, one hundred years; buildings, toll plaza structure, bridge and approach roadways and sidewalks, fifty years; roadway lighting, toll collection, and other equipment, three to twenty years. Maintenance and repairs are expensed as incurred. Major repairs and replacements are capitalized. See Note 3 for accounting change.

Transit property and equipment are carried at cost and depreciated by the straight-line method over their estimated useful lives (buses, ten years; ferry boats, forty years). Depreciation on equipment acquired by capital grants is included in expense; a credit reflecting amortization of the related capital grants is included in the excess of revenues over expenses transferred to District equity. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Major additions are capitalized.

The costs of acquisition and construction of equipment and facilities are recorded in construction in progress until such assets are placed in service, at which time depreciation and amortization of capital grants are recorded.

Short-term investments are stated at cost which approximates market value.

Noncurrent liabilities consist of the portions of uninsured losses and accrued compensated absences which are not expected to be paid during the next fiscal year.

Pension Plans - The District participates in several pension plans covering all employees. Certain union members are covered under various union administered multiemployer plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. Pension contributions are based on rates established by negotiated labor contracts or by administrators of the plans. The District's policy is to fund pension costs as accrued. Pension expense for the years ended June 30, 1983 and 1982 was \$2,603,000 and \$3,041,000, respectively. Information from the plans' administrators is not available to permit the District to determine its share of unfunded vested benefits.

3. ACCOUNTING CHANGE AND RECLASSIFICATIONS

In fiscal 1983 the District adopted a policy to depreciate the Bridge and related buildings and equipment and to capitalize and depreciate major repairs and replacements, such as the Bridge deck replacement project currently in progress. Management believes the new policy is preferable because it provides better matching of costs with revenues and also provides a consistent depreciation policy for Bridge and Transit operations. This accounting change increased the District's 1983 excess of revenues over expenses by \$1,238,000. Financial statements for years prior to 1983 have been retroactively adjusted, resulting in a decrease of \$338,000 in previously reported 1982 excess of revenues over expenses and a reduction of fund equity for the cumulative effect of the accounting change through July 1, 1981.

Also in fiscal 1983, club bus operations were transferred from the Ridesharing Division to the Bus Division and are now reported as a separate component of Bus Division operations. In addition, certain liabilities which are not expected to be paid during the next fiscal year have been classified as non-current (see Note 2). Prior year amounts have been reclassified to conform to these changes in presentation.

4. STATE TRANSPORTATION DEVELOPMENT ACT FUNDS

Included in State operating assistance are \$5,651,000 and \$4,493,000 of State Transportation Development Act funds received by the District for the years ended June 30, 1983 and 1982, respectively. These funds are received from Marin, Sonoma, and San Francisco counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission.

5. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,062,000 and \$1,613,000 of Federal operating assistance for the years ended June 30, 1983 and 1982, respectively. These funds are distributed to the District by the Urban Mass Transportation Administration after approval by the Metropolitan Transportation Commission. The 1983 funds are subject to final review and the District anticipates that they will be approved in full.

6. TRANSIT CAPITAL GRANTS

The District has received grants from the Urban Mass Transportation Administration which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The District also receives grants under State Transit Assistance programs primarily for the acquisition of buses and related facilities. These grants, less related amortization, are included in capital grant equity and are summarized at June 30, 1983 as follows (in thousands):

	Bus and Ridesharing Divisions	Ferry Division
Total approved project cost	<u>\$41,637</u>	<u>\$41,814</u>
Total approved capital grants	<u>\$29,261</u>	<u>\$30,378</u>
Less grants received or receivable	<u>21,366</u>	<u>27,784</u>
Remaining grants available	<u>\$ 7,895</u>	<u>\$ 2,594</u>
Grants credited to capital grant equity:		
Total, July 1, 1982	\$20,430	\$27,735
Additions in 1983:		
Urban Mass Transportation Administration	415	29
State Transit Assistance	<u>521</u>	<u>20</u>
Total, June 30, 1983	<u>21,366</u>	<u>27,784</u>
Less amounts amortized	<u>(11,665)</u>	<u>(6,754)</u>
Net grants in capital grant equity	<u>\$ 9,701</u>	<u>\$21,030</u>

Expenditures of capital grant funds are subject to final review by the grantor agencies. At June 30, 1983 expenditures of approximately \$44,729,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$4,421,000) will be approved in full.

7. BRIDGE DECK REPLACEMENT GRANT

The District has contracted to replace the Bridge roadway and sidewalk and make certain structural and other improvements at a currently estimated cost of approximately \$70.6 million. The District has a grant contract with the State of California Department of Transportation (Caltrans) through which it expects to receive Federal Highway Assistance funding for 80% of the project cost. Bridge deck replacement costs are capitalized, and the related grants are included in capital grant equity. This grant is summarized at June 30, 1983 as follows (in thousands):

	Project Costs <u>Incurred</u>	Grants <u>Received</u>
Fiscal 1983	\$ 8,669	\$ 6,862
Prior years	<u>5,338</u>	<u>4,228</u>
Total	<u><u>\$14,007</u></u>	<u><u>\$11,090</u></u>

Caltrans pays project costs and is reimbursed by the District for its share. The District has deposited \$1,100,000 in an escrow account as security for this arrangement.

8. FERRY LITIGATION SETTLEMENT - NET

Two matters discussed below resulted in a nonrecurring net credit of \$293,000 included in 1983 Ferry Division operations.

On October 13, 1983 the District finalized an agreement which settled a lawsuit and several related claims between the District and a group of defendants. The lawsuit and claims resulted from problems experienced with the propulsion systems on the District's three gas turbine powered ferry boats. The agreement provides for a cash payment to the District of \$627,500, certain nonmonetary consideration to be furnished by defendants, waiver of counterclaims by defendants against the District, and payment of contract retention to a defendant. In addition to this settlement, the District has also received net insurance proceeds of \$420,000 related to gearbox failures covered by hull and machinery insurance.

During fiscal 1983 the District contracted with a shipyard to convert the gas turbine/waterjet propulsion systems of two ferry boats to twin-screw diesel propulsion at an estimated cost of approximately \$3,300,000. The District has obtained Federal and State capital grant funding for a substantial portion of this cost and is pursuing additional grant funding for conversion of the third vessel. The undepreciated cost of the gas turbine propulsion systems (\$2,638,000 less \$1,884,000 capital grant portion) has been expensed as a result of the decision to replace them.

9. COMMITMENTS AND CONTINGENCIES

At June 30, 1983 the District had commitments of approximately \$11,663,000 related to its share of the Bridge deck replacement project and approximately \$1,383,000 for transit equipment and other projects.

There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. The District maintains insurance coverage for such incidents, and provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies.

10. DISTRICT-RESTRICTED FUNDS

The Board of Directors has restricted portions of the District's available funds for replacement of the Bridge deck and transit equipment and for other anticipated expenditures or possible emergencies. An analysis of District-restricted funds at June 30, 1983 follows (in thousands):

Net current assets	\$22,106
Add (deduct):	
Accrued compensated absences	2,421
Maintenance inventories and supplies	(1,722)
Prepaid expenses	(192)
Total available funds	<u>22,613</u>
Less District-imposed restrictions for:	
Replacement of Bridge deck	6,663
Replacement of buses and ferry boats	4,769
Insurance claims	1,125
Ferry channel dredging	438
Other	162
Emergencies	5,000
Total restricted funds	<u>18,157</u>
Total unrestricted funds	<u>\$ 4,456</u>

11. ALLOCATION OF DISTRICT DIVISION EXPENSE

District Division expense has been allocated to the operating divisions by resolution of the Board of Directors as follows (in thousands):

	1983	1982
Bridge	\$1,849	\$1,651
Bus	2,430	2,089
Ferry	499	459
Ridesharing	<u>63</u>	<u>143</u>
Total	<u>\$4,841</u>	<u>\$4,342</u>

Board of Directors



Manuel Ceballos
San Francisco
First Vice President



Carl Daubenek
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Louise H. Renne
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Bob Ross
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Carol Ruth Silver
San Francisco



Richard D. Spotswood
Marin



Robert Stockwell
Marin



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

BOX 9000 PRESIDIO STATION • SAN FRANCISCO, CALIFORNIA 94129

ABOUT THE FRONT COVER

GOLDEN GATE BRIDGE 50TH ANNIVERSARY

On January 5, 1933 work began to bridge the Golden Gate. The Bridge was completed and opened to traffic on May 28, 1937. As part of the commemoration of this historic undertaking, the District prepared an exhibit about the construction of the Bridge. The exhibit includes, among other things, five panels of photographs from the District's archives, with one panel for each calendar year of Bridge construction. Thus, for the cover of this 1983 annual report, the 1933 exhibit panel picturing the progress of construction 50 years ago is reproduced.

PHOTO CREDITS

Front cover:
top: Moulin Studios, San Francisco
others, Charles Hiller, District Archives

Page 2:
top: Aero Photographers, Sausalito
lower left: Robert E. David, District Staff
lower right: District Engineering Department

Page 3:
upper left: Richard Osborne, San Francisco
middle left: Michael Fahy, San Rafael
lower left: Mosh Emmons, Sausalito
right: Thomas Lee, San Francisco

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GROUNDBREAKING · COMPLETION

ANNUAL REPORT

1983-1984

GOLDEN GATE BRIDGE, HIGHWAY
AND TRANSPORTATION DISTRICT



June 1934. Marin tower underway. The concrete work has been completed on the encorage weight blocks. The main concrete hold-down on the Marin side has been completed. The one on the San Francisco side is under construction. Work is beginning on the pier for the San Francisco tower off Fort Point.



December 1934. South tower pier fender. This view is from the south edge of the south tower pier fender — looking into the cofferdam. Across the Golden Gate, the Marin tower nears completion.



November 1934. View from above the South-of-Market area of San Francisco looking towards the Golden Gate.



December 1934. View into cofferdam of south tower pier fender. The vertical shafts are inspection wells for use during construction.

50 YEARS AGO

Summary of the Fiscal Year

	1984 (000)	1983 (000)
GOLDEN GATE BRIDGE		
Total Vehicles	38,519	36,990
GOLDEN GATE TRANSIT & RIDESHARING		
Bus Passengers	9,712	10,038
Ferry Passengers	1,025	1,070
Club Bus Riders	295	400
Vanpool Riders	79	96
FINANCIAL SUMMARY		
Revenues		
Operating Revenues	\$40,122	\$39,150
Operating Assistance	7,094	6,713
Investment Income	2,067	2,610
Total Revenues	<u>\$49,283</u>	<u>\$48,473</u>
Expenses:		
Operating	\$40,031	\$38,157
Repairs & Maintenance	<u>11,749</u>	<u>11,226</u>
Total Expenses	<u>\$51,780</u>	<u>\$49,383</u>
Amortization of Capital Grants	2,349	1,935
Excess of Revenues (Expenses) Transferred to Equity	<u><u>\$(148)</u></u>	<u><u>\$1,025</u></u>

Officers • Directors • Managers

Officers of the District

Manuel Ceballos, President
 Helen Putnam, First Vice-President
 Quentin L. Kopp,
 Second Vice-President
 Dale W. Luehring, General Manager
 Carney J. Campion, Secretary
 Robert D. Tough, Auditor-Controller
 David J. Miller, Attorney
 Daniel E. Mohn, Engineer

Operating Managers

Bus Transit, H. Donald White
 Ferry Transit, Eric A. Robinson
 Bridge, Robert A. Warren
 Ridesharing, William E. Gaut

District Board of Directors

CITY/COUNTY OF SAN FRANCISCO
 James R. Bronkema
 Manuel Ceballos
 Quentin L. Kopp
 Stephan C. Leonoudakis
 Robert McDonnell
 John L. Molinari
 Louise H. Renne
 Bob Ross
 Carol Ruth Silver

MARIN COUNTY
 C. Paul Bettini
 Gary T. Giacomini
 Richard D. Spotswood
 Robert Stockwell

SONOMA COUNTY
 William H. Barone
 L.E. "Bud" Castner
 Helen Putnam

NAPA COUNTY
 Lowell Edington

MENDOCINO COUNTY
 Carl Daubeneck

DEL NORTE COUNTY
 Edwin M. Fraser

President's Message

Fiscal year 1983/84 was a challenging year for the Golden Gate Bridge, Highway and Transportation District. Significant accomplishments were achieved when the District:

- Implemented measures to improve safety for motorists crossing the Golden Gate Bridge;
- Continued negotiations to acquire Northwestern Pacific Railroad's right-of-way;
- Established criteria for the design, development and testing of a movable median barrier on the Bridge;
- Joined with other agencies and jurisdictions to mutually develop solutions to Highway 101 congestion;

Maintenance of the Bridge, support for solutions to congestion, and safety for those who use the Bridge guided the actions of the District.

45 MPH Speed Limit on Bridge

A 45 MPH speed limit on the Golden Gate Bridge was implemented October 1, 1983, supported by a public awareness program and increased surveillance and enforcement by the California Highway Patrol. These actions were recommended by the Traffic and Safety Improvement Task Force created by the Board to study and evaluate traffic conditions on the span.

Movable Median Barrier Feasibility Study

The engineering firm of Sverdrup & Parcel and Associates, Inc. was retained to determine the feasibility of installing a movable median barrier on the Golden Gate Bridge.

Four movable median barrier concepts were evaluated. A barrier developed by Quick-Steel, Ltd. of Australia was considered the most appropriate barrier for the Bridge. However, Sverdrup & Parcel recommended that no barrier be installed as they considered the marginal traffic safety that might be provided by a movable median barrier would not warrant the estimated \$12 million required to complete research and development, design, fabrication and installation of such a barrier. In an effort to explore all possibilities, the Board encouraged others to submit designs and offered \$50,000 for design and development of a movable median barrier that will meet all necessary operational and maintenance parameters at a lower cost.

Northwestern Pacific Railroad Right-of-Way

The District has acquired one mile of the abandoned right-of-way. During 1983-84, the District continued negotiations with Southern Pacific Company to acquire additional portions from Paradise Drive in Corte Madera to Highway 37 in Novato.

San Rafael Transportation Center

Through the combined efforts of the District, the City of San Rafael, Marin County and Caltrans, work progressed on the San Rafael Transportation Center. Planning studies and preliminary design plans will integrate the multi-modal transportation center with any future use of the Northwestern Pacific Railroad right-of-way by transit rail or bus.

Local Marin County Bus Service

In July, 1983, the Bridge District assumed operation of local bus service within Marin County at the request of the Marin County Transit District. The Bridge District is working with Marin County to seek solutions to the continuing problem of funding local Marin bus service.

Highway 101 Corridor Plan Action Committee

Traffic congestion problems and future transportation needs which affect Sonoma, Marin and San Francisco Counties are being investigated and analyzed by a 23-member Highway 101 Corridor Action Committee. The Committee, composed of elected officials and representatives of cities, counties and agencies in the three counties, will develop a coordinated, corridor-wide plan through the year 2005.

The Committee has agreed on the following:

- Congestion along Highway 101 will worsen, given existing land-use policies;
- Solutions to Highway 101 congestion require a corridor-wide perspective;
- Strong support exists for development of the Northwestern Pacific Railroad right-of-way for transit purposes.

District Staff

On behalf of the Board of Directors, I wish to commend the employees of the Golden Gate Bridge, Highway and Transportation District whose dedicated service has contributed so much to the achievements of this past year.

manuel Ceballos

Manuel Ceballos
President



As new, lighter weight deck sections replace the old roadway of the Golden Gate Bridge, the flexibility of the suspension span becomes visible as work progresses south from Marin County.



The G.T. San Francisco, the first of the three Larkspur ferries to be converted to diesel engines, is towed out from the Larkspur Terminal on its way to San Diego where the conversion work will take place.



Commuters who use Golden Gate Venpools enjoy special diamond lane privileges.



New electronic fareboxes aboard Golden Gate Transit Buses will provide more efficient fare collection.



The traffic approaching the Golden Gate Bridge has become more and more congested due to an increase in the volume of single occupant automobiles.



Traffic congestion at 4th and Hetherton Streets in San Rafael will be improved when the construction of the San Rafael Transportation Center takes place.



The 1.5 mile section of the Northwestern Pacific Railroad right-of-way purchased by the District includes the trestle and draw bridge over Corte Madera Creek in Larkspur. The interchange between U. S. Highway 101 and Sir Francis Drake Boulevard can be seen at right. The Larkspur Ferry Terminal is off the picture to the left.

General Manager's Report

Bridge Traffic

Lower gas prices and lessening public emphasis on energy conservation have contributed to a decrease in use of the District's transit services, resulting in record levels of traffic on the Golden Gate Bridge.

A total of 38,519,280 vehicles crossed the Bridge during fiscal 1983-84, an increase of 4.13% over the previous year. On August 11, 1983, 119,629 vehicles traveled across the Bridge, the highest single day total since the Bridge was opened to traffic in 1937. As of June 30, 1984, 976,520,840 vehicles have crossed the Bridge during its 47-year history.

As Bridge traffic reaches capacity, efforts to encourage use of public transportation services must be increased.

Bridge Closure Due to High Winds

On Saturday, December 3, 1983, the Bridge was closed at 11:20 AM due to severe high winds. Two lanes in each direction were opened to traffic at 2:55 PM. The Toll Plaza anemometer registered winds as high as 77.1 mph. The Bridge sustained no damage. This is the third time in its history that the Bridge has been closed to traffic in order to protect motorists during windstorms.

Bridge Maintenance and Roadway Replacement Program

At 1:22 AM, on the night of November 4, 1983, the first of 747 modular deck units was lifted into place on the Golden Gate Bridge by Dillingham-Tokola, a joint venture contractor for the deck replacement. By June 30, 1984, 270 deck sections had been replaced and the \$70.6 million project was on schedule. Completion of the deck rehabilitation is expected during the summer of 1985. During the Deck Replacement Project, the shape of the roadway has changed due to the construction sequence of replacing the concrete deck with a light weight orthotropic steel deck. Flexibility is an inherent characteristic of suspension bridges and the present deflection of the structure is well within the limits designed by Chief Engineer Joseph Strauss. The roadway will return to its original profile as the project proceeds towards completion.

New Electronic Fare Boxes

The installation of 264 state-of-the-art electronic fare boxes in Golden Gate Transit buses was completed in May 1984. The new fareboxes, designed to accept dollar bills as well as coins, are expected to provide more efficient fare collection and revenue processing.

New Coaches

The first of 51 new suburban-type buses began operating between Santa Rosa and San Francisco in September, 1983.

The new coaches, equipped with high-back seats, overhead luggage racks and reading lights, are the type favored by most Golden Gate Transit patrons. The new coaches are accessible and equipped to accommodate one or two wheelchairs.

Methanol Fuel Demonstration Program

The California Energy Commission selected Golden Gate Transit as the agency to test the use of methanol as an alternate fuel for internal combustion engines. The GMC and M.A.N. coaches are the first methanol-powered buses to be operated in regular service by a public transit agency in the United States.

Diesel Conversion of G.T. San Francisco

On December 12, 1983, the G.T. San Francisco was towed from the Larkspur Ferry Terminal and arrived in San Diego two days later. The vessel is the first of the three Larkspur ferries to be converted from gas turbine-waterjet propulsion to diesel twin-screw propulsion engines. The San Francisco will return to service in the fall of 1984, with the remaining two Larkspur vessels to be converted to diesel power shortly thereafter.

Ridesharing Employer Outreach Programs

In March, 1984, Ridesharing formed its 300th vanpool. As of that date, about 2,000 commuters were traveling to and from work in vanpool groups that received direct assistance from the Ridesharing Division.

Ridesharing processed approximately 5,300 requests for vanpool and carpool information during fiscal 1983-84. This was a result of quarterly public awareness campaigns and intensive employer outreach efforts.

District Employees

With the outstanding work performed by all employees, the District continues to turn each challenge into an opportunity to improve our service to the public.



Dale Luehring
General Manager

Deloitte Haskins + Sells

44 Montgomery Street
San Francisco, California 94104
(415) 393-4300
Telex 340336

AUDITORS' OPINION

The Board of Directors of the
Golden Gate Bridge, Highway and
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District as of June 30, 1984 and 1983 and the related statements of revenues and expenses, fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1984 and 1983 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by Division for the years ended June 30, 1984 and 1983 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte Haskins + Sells

September 14, 1984

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1984 AND 1983 (In Thousands)

	<u>1984</u>	<u>1983</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 478	\$ 743
Short-term investments	18,513	23,679
Federal and State grants receivable	4,065	1,512
Accounts receivable	753	1,274
Maintenance inventories and supplies	1,469	1,722
Prepaid expenses	99	192
Total current assets	<u>25,377</u>	<u>29,122</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	5,569	5,585
Bridge, related buildings and equipment	55,124	54,305
Accumulated depreciation	(22,997)	(22,229)
Net	<u>32,127</u>	<u>32,076</u>
Transit property and equipment:		
Bus	35,081	27,351
Ferry	37,265	37,130
Ridesharing	442	458
Accumulated depreciation	(27,249)	(25,801)
Net	<u>45,539</u>	<u>39,138</u>
Construction in progress	<u>43,594</u>	<u>15,241</u>
Property, plant, and equipment - net	<u>126,829</u>	<u>92,040</u>
TOTAL ASSETS	<u><u>\$152,206</u></u>	<u><u>\$121,162</u></u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES:		
Trade accounts payable	\$ 1,868	\$ 1,914
Accrued liabilities	4,094	3,587
Uninsured losses	1,406	1,141
Contract retentions	379	374
Total current liabilities	<u>7,747</u>	<u>7,016</u>
NONCURRENT LIABILITIES	2,690	2,750
FUND EQUITY	<u>141,769</u>	<u>111,396</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$152,206</u></u>	<u><u>\$121,162</u></u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 1984 AND 1983 (In Thousands)

	<u>1984</u>	<u>1983</u>
REVENUES:		
Operating revenues:		
Bridge	\$23,943	\$22,695
Bus:		
Bus Transit	13,046	13,256
Club Bus	610	820
Ferry	2,423	2,236
Ridesharing	100	143
Total operating revenues	<u>40,122</u>	<u>39,150</u>
Operating assistance:		
State	4,763	5,651
Federal	2,331	1,062
Total operating assistance	<u>7,094</u>	<u>6,713</u>
Investment income	<u>2,067</u>	<u>2,610</u>
Total revenues	<u>49,283</u>	<u>48,473</u>
EXPENSES:		
Operating expenses:		
Bridge	7,948	6,870
Bus:		
Bus Transit	24,139	23,121
Club Bus	1,160	1,320
Ferry	6,271	6,204
Ridesharing	513	642
Total operating expenses	<u>40,031</u>	<u>38,157</u>
Current repairs and maintenance:		
Bridge	5,426	4,877
Bus	5,457	5,411
Ferry	1,187	1,231
Ferry litigation settlement - net	(321)	(293)
Total repairs and maintenance	<u>11,749</u>	<u>11,226</u>
Total expenses	<u>51,780</u>	<u>49,383</u>
EXCESS OF EXPENSES OVER REVENUES	(2,497)	(910)
AMORTIZATION OF CAPITAL GRANTS	<u>2,349</u>	<u>1,935</u>
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) TRANSFERRED TO DISTRICT EQUITY	<u>\$ (148)</u>	<u>\$ 1,025</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FUND EQUITY
FOR THE YEARS ENDED JUNE 30, 1984 AND 1983 (In Thousands)

	<u>DISTRICT EQUITY</u>	<u>CAPITAL GRANT EQUITY</u>	<u>TOTAL FUND EQUITY</u>
BALANCE, JUNE 30, 1982	\$68,550	\$37,795	\$106,345
EXCESS OF REVENUES OVER EXPENSES TRANSFERRED TO DISTRICT EQUITY	1,025		1,025
AMORTIZATION OF CAPITAL GRANTS		(1,935)	(1,935)
ADJUSTMENT OF FERRY CAPITAL GRANT		(1,884)	(1,884)
CAPITAL GRANTS:			
Bridge		6,861	6,861
Bus		935	935
Ferry		49	49
<hr/>	<hr/>	<hr/>	<hr/>
BALANCE, JUNE 30, 1983	69,575	41,821	111,396
EXCESS OF EXPENSES OVER REVENUES TRANSFERRED TO DISTRICT EQUITY	(148)		(148)
AMORTIZATION OF CAPITAL GRANTS		(2,349)	(2,349)
CAPITAL GRANTS:			
Bridge		19,963	19,963
Bus		11,029	11,029
Ferry		1,878	1,878
<hr/>	<hr/>	<hr/>	<hr/>
BALANCE, JUNE 30, 1984	\$69,427	\$72,342	\$141,769

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 1984 AND 1983 (In Thousands)

	<u>1984</u>	<u>1983</u>
SOURCE OF FUNDS:		
Operations:		
Excess of expenses over revenues	\$(2,497)	\$ (910)
Nonfund charges:		
Depreciation and amortization	3,982	3,376
Adjustment of ferry carrying value	348	
Funds provided by operations	<u>1,485</u>	<u>2,814</u>
Capital grants:		
Bridge	19,963	6,861
Bus	11,029	935
Ferry	1,878	49
Increase in noncurrent liabilities		650
Disposals of property	1,251	547
Total funds provided	<u>35,606</u>	<u>11,856</u>
APPLICATION OF FUNDS:		
Additions to property, plant, and equipment:		
Bridge	25,961	10,024
Bus	12,048	2,875
Ferry	2,006	103
Ridesharing	7	12
Decrease in noncurrent liabilities	60	
Total funds applied	<u>40,082</u>	<u>13,014</u>
DECREASE IN NET CURRENT ASSETS	<u><u><u>\$(4,476)</u></u></u>	<u><u><u>\$(1,158)</u></u></u>
INCREASE (DECREASE) IN NET CURRENT ASSETS BY ELEMENT:		
Cash	\$ (265)	\$ (201)
Short-term investments	(5,165)	854
Federal and State grants receivable	2,552	(1,257)
Other current assets	(867)	346
Trade accounts payable	45	(741)
Accrued liabilities	(506)	44
Uninsured losses	(265)	(239)
Contract retentions	(5)	36
DECREASE IN NET CURRENT ASSETS	<u><u><u>\$(4,476)</u></u></u>	<u><u><u>\$(1,158)</u></u></u>

See notes to financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION
FOR THE YEARS ENDED JUNE 30, 1984 AND 1983 (In Thousands)

TOTAL.....	BRIDGE DIVISION		
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
REVENUES:				
Operating revenues	<u>\$40,122</u>	<u>\$39,150</u>	<u>\$23,942</u>	<u>\$22,69</u>
Operating assistance:				
State	4,763	5,651		
Federal	<u>2,331</u>	<u>1,062</u>		
Total operating assistance	<u>7,094</u>	<u>6,713</u>		
Investment income	<u>2,067</u>	<u>2,610</u>	<u>2,067</u>	<u>2,61</u>
Total revenues	<u>49,283</u>	<u>48,473</u>	<u>26,009</u>	<u>25,30</u>
EXPENSES:				
Operating expense	40,031	38,157	7,948	6,87
Current repairs and maintenance	12,070	11,519	5,426	4,87
Ferry litigation settlement - net	<u>(321)</u>	<u>(293)</u>		
Total expenses	<u>51,780</u>	<u>49,383</u>	<u>13,374</u>	<u>11,74</u>
EXCESS OF REVENUES (EXPENSES)	<u>(2,497)</u>	<u>(910)</u>	<u>12,635</u>	<u>13,55</u>
AMORTIZATION OF CAPITAL GRANTS	<u>2,349</u>	<u>1,935</u>		
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO DISTRICT EQUITY	<u>\$ (148)</u>	<u>\$ 1,025</u>	<u>\$12,635</u>	<u>\$13,55</u>

.....BUS DIVISION.....				FERRY DIVISION		RIDESHARING	
..BUS TRANSIT...		...CLUB BUS...		1984	1983	..DIVISION..	
1984	1983	1984	1983			1984	1983
\$13,046	\$13,256	\$ 610	\$ 820	\$ 2,423	\$ 2,236	\$ 100	\$ 143
4,100	5,009			663	642		
1,909	762			365	171	58	129
6,009	5,771			1,028	813	58	129
19,055	19,027	610	820	3,451	3,049	158	272
24,139	23,121	1,160	1,320	6,271	6,204	513	642
5,457	5,411			1,187	1,231		
29,596	28,532	1,160	1,320	(321)	(293)	513	642
(10,541)	(9,505)	(550)	(500)	(3,686)	(4,093)	(355)	(370)
1,489	1,124			850	795	10	16
\$ (9,052)	\$ (8,381)	\$ (550)	\$ (500)	\$ (2,836)	\$ (3,298)	\$ (345)	\$ (354)

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant, and Equipment - The Bridge and related buildings and equipment are carried at cost and depreciated by the straight-line method over the following estimated useful lives: Bridge structural components, one hundred years; buildings, toll plaza structure, Bridge and approach roadways and sidewalks, fifty years; roadway lighting, toll collection, and other equipment, three to twenty years. Maintenance and repairs are expensed as incurred. Major repairs and replacements are capitalized.

Transit property and equipment are carried at cost and depreciated by the straight-line method over their estimated useful lives (buses, ten years; ferry boats, forty years). Depreciation on equipment acquired by capital grants is included in expense; a credit reflecting amortization of the related capital grants is included in the excess of revenues over expenses transferred to District equity. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Major additions are capitalized.

The costs of acquisition and construction of equipment and facilities are recorded in construction in progress until such assets are placed in service, at which time depreciation and amortization of capital grants are recorded.

Short-term investments are stated at cost which approximates market value.

Noncurrent liabilities consist of the portions of uninsured losses and accrued compensated absences which are not expected to be paid during the next fiscal year.

Pension Plans - The District participates in several pension plans covering all employees. Certain union members are covered under various union administered multiemployer plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. Pension contributions are based on rates established by negotiated labor contracts or by administrators of the plans. The District's policy is to fund pension costs as accrued.

3. TRANSIT CAPITAL GRANTS

The District has received grants from the Urban Mass Transportation Administration which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The District also receives grants under State Transit Assistance programs primarily for the acquisition of buses and related facilities. These grants, less related amortization, are included in capital grant equity and are summarized at June 30, 1984 as follows (in thousands):

	<u>Bus and Ridesharing Divisions</u>	<u>Ferry Division</u>
Total approved project cost	<u>\$46,997</u>	<u>\$45,305</u>
Total approved capital grants	<u>\$39,933</u>	<u>\$34,564</u>
Less grants received or receivable	<u>32,395</u>	<u>29,662</u>
Remaining grants available	<u>\$ 7,538</u>	<u>\$ 4,902</u>
Grants credited to capital grant equity:		
Total, July 1, 1983	\$21,366	\$27,784
Additions in 1984:		
Urban Mass Transportation Administration	8,570	1,502
State Transit Assistance	2,459	376
Total, June 30, 1984	<u>32,395</u>	<u>29,662</u>
Less amounts amortized	<u>(13,164)</u>	<u>(7,604)</u>
Net grants in capital grant equity	<u>\$19,231</u>	<u>\$22,058</u>

Expenditures of capital grant funds are subject to final review by the grantor agencies. At June 30, 1984 expenditures of approximately \$44,729,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$17,328,000) will be approved in full.

4. BRIDGE DECK REPLACEMENT GRANT

The District has contracted to replace the Bridge roadway and sidewalk and make certain structural and other improvements at a currently estimated cost of approximately \$70.6 million. The District has a grant contract with the State of California Department of Transportation (Caltrans) through which it expects to receive Federal Highway Assistance funding for 80% of the project cost. Bridge deck replacement costs are capitalized, and the related grants are included in capital grant equity. This grant is summarized at June 30, 1984 as follows (in thousands):

	Project Costs <u>Incurred</u>	Grants Received
Fiscal 1984	\$25,109	\$19,963
Prior years	<u>14,007</u>	<u>11,090</u>
Total	<u><u>\$39,116</u></u>	<u><u>\$31,053</u></u>

Caltrans pays project costs and is reimbursed by the District for its share. The District has deposited \$1,100,000 in an escrow account as security for this arrangement.

5. STATE TRANSPORTATION DEVELOPMENT ACT FUNDS

State operating assistance consists of \$4,763,000 and \$5,651,000 of State Transportation Development Act funds received by the District for the years ended June 30, 1984 and 1983, respectively. These funds are received from Marin, Sonoma, and San Francisco counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission.

6. FEDERAL OPERATING ASSISTANCE

The District was allocated \$2,331,000 and \$1,062,000 of Federal operating assistance for the years ended June 30, 1984 and 1983, respectively. These funds are distributed to the District by the Urban Mass Transportation Administration after approval by the Metropolitan Transportation Commission. The 1984 funds are subject to final review and the District anticipates that they will be approved in full.

7. PENSION PLANS

Pension expense for the years ended June 30, 1984 and 1983 was \$3,395,000 and \$2,603,000.

The District's bus operators are covered by a union administered pension plan funded by the District. As of December 30, 1982, the date of the plan's most recent actuarial valuation, the actuarial present value of vested and nonvested accumulated plan benefits, based on an 8% interest rate assumption, was \$33,125,000; net assets available for benefits totaled \$17,117,000. Similar information is not available from the State of California's Public Employees Retirement System and other union administered multiemployer plans in which the District is a participant.

8. FERRY LITIGATION SETTLEMENT - NET

Amounts reported as ferry litigation settlement consist of the following (in thousands):

	<u>1984</u>	<u>1983</u>
Net insurance proceeds	\$321	\$ 420
Cash settlement of litigation	627	
Adjustment of ferry carrying value	<u>(754)</u>	
Ferry litigation settlement - net	<u>\$321</u>	<u>\$ 293</u>

In October 1983 the District and a group of defendants settled a lawsuit and several related claims resulting from problems experienced with the propulsion systems on the District's three gas turbine powered ferry boats. The settlement provided, among other things, for a cash payment to the District of \$627,500. The District also received net insurance proceeds of \$321,000 in 1984 and \$420,000 in 1983 related to gearbox failures covered by hull and machinery insurance.

The District has contracted with a shipyard to convert the gas turbine/waterjet propulsion systems to twin-screw diesel propulsion and has obtained Federal and State capital grant funding for a substantial portion of these costs. The \$754,000 undepreciated cost of the gas turbine propulsion systems (\$2,638,000 cost less \$1,884,000 capital grant portion) was expensed in 1983 as a result of the decision to replace them.

9. COMMITMENTS AND CONTINGENCIES

At June 30, 1984 the District had commitments of approximately \$7,330,000 for its share of the Bridge deck replacement project and approximately \$175,000 for transit equipment and other projects.

There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. The District maintains insurance coverage for such incidents, and provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies.

10. DISTRICT-RESTRICTED FUNDS

The Board of Directors has restricted portions of the District's available funds for replacement of the Bridge deck and transit equipment and for other anticipated expenditures or possible emergencies. An analysis of District-restricted funds at June 30, 1984 follows (in thousands):

Net current assets	\$17,630
Add (deduct):	
Accrued compensated absences	2,530
Maintenance inventories and supplies	(1,469)
Prepaid expenses	(99)
Total available funds	<u>18,592</u>
Less District-imposed restrictions for:	
Replacement of Bridge deck	4,060
Replacement of buses and ferry boats	4,769
Insurance claims	1,024
Ferry channel dredging	438
Other	233
Emergencies	5,000
Total restricted funds	<u>15,524</u>
Total unrestricted funds	<u>\$ 3,068</u>

11. ALLOCATION OF DISTRICT DIVISION EXPENSE

District Division expense has been allocated to the operating divisions by resolution of the Board of Directors as follows (in thousands):

	1984	1983
Bridge	\$1,677	\$1,849
Bus	2,467	2,430
Ferry	868	499
Ridesharing	62	63
Total	<u>\$5,074</u>	<u>\$4,841</u>

Board of Directors



Helen Putnam
Sonoma
First Vice President



Manuel Coballlos
San Francisco
President



Quentin L. Kopp
San Francisco
Second Vice President



William H. Barone
Sonoma



C. Paul Bettini
Marin



James R. Bronkema
San Francisco



L. E. "Bud" Castner
Sonoma



Carl Daubeneck
Mendocino



Lowell Edington
Napa



Edwin M. Fraser
Del Norte



Gary T. Giacomini
Marin



Stephan C. Leonoudakis
San Francisco



Robert McDonnell
San Francisco



John L. Molinari
San Francisco



Louise H. Renne
San Francisco



Bob Ross
San Francisco



Carol Ruth Silver
San Francisco



Richard D. Spotswood
Marin



Robert Stockwell
Marin



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

ABOUT THE FRONT COVER

GOLDEN GATE BRIDGE

50TH ANNIVERSARY

On January 5, 1933 work began to bridge the Golden Gate. The Bridge was completed and opened to traffic on May 28, 1937. As part of the commemoration of this historic undertaking, the District prepared an exhibit about the construction of the Bridge. The exhibit includes, among other things, five panels of photographs from the District's archives, with one panel for each calendar year of Bridge construction. Thus, for the cover of this 1984 annual report, the 1934 exhibit panel picturing the progress of construction 50 years ago is reproduced.

PHOTO CREDITS

Front cover:
all: Charles Hiller, District Archives

Page 2:
left & lower right: Robert E. David, District Staff
upper right: Robert Tong, *Independent Journal*
center right: Mosh Emmons, Sausalito

Page 3:
upper left: MarinScope
upper right & bottom: Robert E. David, District Staff

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ANNUAL REPORT

1984-1985

GOLDEN GATE BRIDGE, HIGHWAY
AND TRANSPORTATION DISTRICT



June 1935. Both towers are almost complete. The San Francisco pylon is at left. The entire trestle between Fort Point, in the foreground, and the base of the San Francisco tower can be seen.



September 1935. View from top of Marin tower looking towards San Francisco. The cables which will support the workers' walkway are in place; these cables were drawn across by boat to constitute the first connection between San Francisco and Marin shores.



December 1935. Workers' walkway is in place, with storm cables and crossovers. The San Francisco pylons, at left, are in place; the area of Fort Point comes later. Some main cables wires have been spun, but they are hanging limp on the walkway.



December 1935. Marin anchorage. About one third of the main cable strands are in place, attached to "eye" bars attached to the anchor blocks. Some of the cable strands are bundled. One of the cable spinning machines can be seen at the center.

50 YEARS AGO

Summary of the Fiscal Year

	1985	1984
	(In Thousands)	
GOLDEN GATE BRIDGE		
Total Vehicles	39,631	38,519
GOLDEN GATE TRANSIT & RIDESHARING		
Bus Passengers	8,655	9,712
Ferry Passengers	1,126	1,025
Club Bus Riders	297	295
Vanpool Riders	84	79
FINANCIAL SUMMARY		
Revenues:		
Operating Revenues	\$ 41,174	\$ 40,122
Operating Assistance	9,148	7,094
Other	3,609	2,067
Total Revenues	<u>53,931</u>	<u>49,283</u>
Expenses:		
Operating	41,328	40,031
Repairs & Maintenance	11,999	11,749
Total Expenses	<u>53,327</u>	<u>51,780</u>
Amortization of Capital Grants	<u>3,189</u>	<u>2,349</u>
Excess of Revenues (Expenses) Transferred to Equity	<u>\$ 3,793</u>	<u>\$ (148)</u>

Officers • Directors • Managers

Officers of the District

Manuel Ceballos, President
 Gary T. Giacomini, First Vice President
 Quentin L. Kopp,
 Second Vice President
 Carney J. Campion, General Manager
 Gene P. Rexrode, Secretary
 Robert D. Tough, Auditor-Controller
 David J. Miller, Attorney
 Daniel E. Mohn, Engineer

Operating Managers

Bus Transit, H. Donald White
 Ferry Transit, Eric A. Robinson
 Bridge, Robert A. Warren
 Ridesharing, William E. Gaut

District Board of Directors

CITY/COUNTY OF SAN FRANCISCO
 James R. Bronkema
 Manuel Ceballos
 Quentin L. Kopp
 Stephan C. Leonoudakis
 Robert McDonnell
 John L. Molinari
 Bob Ross
 Carol Ruth Silver
 Nancy G. Walker

MARIN COUNTY
 C. Paul Bettini
 Gary T. Giacomini
 Richard D. Spotswood
 Robert Stockwell

SONOMA COUNTY
 L.E. "Bud" Castner
 Jack W. Cavanagh
 James L. Harberson

NAPA COUNTY
 Lowell Edington

MENDOCINO COUNTY
 Carl Daubeneck

DEL NORTE COUNTY
 Edwin M. Fraser

President's Message

The past year signaled a renaissance of enthusiasm, unity of purpose and recognition of the interdependence between the Golden Gate Bridge, Highway and Transportation District and the Bay Area region.

The District provided leadership as a consortium of agencies, sharing a common responsibility to plan for the public good, worked to develop a consensus on traffic solutions that have potential for broad political and popular support.

The magnitude of mushrooming traffic congestion, concern about declining transit patronage and the need for integrating mass transportation with development planning . . . these are the dominating issues and challenges facing the Golden Gate Bridge District and its constituency — the counties it serves and the citizens who use the District's services.

Integration of Transit with Planned Developments

During February 1985, several directors travelled as the guests of the Canadian government to tour urban transit developments in major Canadian cities. The trip so inspired the directors that they instructed the General Manager to prepare progressive transit development guidelines for integration of public transit into the early stages of local, county and regional planning processes.

As a way to share the Canadian philosophy of transit system planning with Bay Area policy makers, an Urban Transit Seminar, co-sponsored by the Bridge District and the Canadian government, is planned for the fall of 1985.

Marin County Local Bus Service

Over the last ten years, transbay transit fares and gasoline prices have increased at almost the same rate. By 1984, local Marin fares exceeded the cost of operating a compact car and became detrimental to transit patronage and the District's goal of maintaining mobility along the Golden Gate corridor. After climbing to a high of 54% of all local Marin patronage in 1978, student ridership tumbled to 32% in 1984.

To turn around a deteriorating situation, the District, together with the County of Marin, took unprecedented actions. Elimination of Marin free zones to create a uniform student fare and reinstatement of a student discount fare were implemented beginning July 8, 1985. For the first time, \$600,000 from Marin County's general fund will be contributed to the local Marin service operation.

Northwestern Pacific Railroad Right-of-Way

The District acquired the Northwestern Pacific Railroad Right-of-Way from Corte Madera Creek south to Paradise Drive in Corte Madera, together with a half-acre parcel adjacent to the right-of-way, on December 28, 1984 for \$1.1 million. \$700,000 in state funds and \$400,000 from District Unrestricted Reserves were used to preserve the property for the future. In 1983, a 1.5 mile section, from Corte Madera Creek north to Bellarm Boulevard in San Rafael, was purchased.

The General Manager has been authorized to apply for \$10 million in federal funds to complete the acquisition of the 12.8-mile segment from Bellarm Boulevard to Highway 37. The total cost to acquire this portion of the right-of-way for exclusive transit use is estimated to be \$12.5 million.

San Rafael Transportation Center

In December 1984, the Board of Directors accepted the Daniel, Mann, Johnson & Mendenhall consultants' design concepts as outlined in the Phase III Report and previously endorsed by the City of San Rafael, the San Rafael Redevelopment Agency, the County of Marin and the Marin County Transit District. The District pledged \$400,000 toward purchase of lands designated for the transit center. To date, the purchase of the "carwash" property, located on Hetherington Street between 2nd and 3rd Streets, has been completed.

Traffic and Safety Improvements

The Traffic and Safety Improvements Task Force was created in April 1983 to study and evaluate traffic mobility, safety, and traffic improvement projects. Short-term projects that were identified — speed limit regulations on the Bridge and its approaches, increased enforcement by the California Highway Patrol, and installation of variable message signs on both ends of the Bridge — have been implemented.

The traffic safety study of the movable median barrier concept is being performed by the Traffic Institute, Northwestern University in Illinois. Twelve concepts for movable median barriers were accepted for the District's Movable Median Barrier Research and Development Program and held in abeyance pending completion of the Traffic Institute's report.

The Task Force's long-term project came to a close when further feasibility studies of installing a second deck on the Golden Gate Bridge were tabled. Its charge completed, the Task Force was disbanded in November 1984.

Golden Gate Bridge District Museum

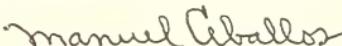
The Board of Directors, on November 30, 1984, approved the formation of a non-profit "Friends of the Golden Gate Bridge" foundation and authorized the Attorney to file Articles of Incorporation and apply for tax-exempt non-profit status. In February 1985, Directors John L. Molinari, James R. Bronkema, Lowell Edington, Robert Ross and Robert Stockwell were appointed to the Foundation's Board of Trustees. At the Trustees' June 19th meeting, Director Bronkema was elected Chairman of the Board of Trustees.

In 1977, the Board of Directors endorsed the concept of a Golden Gate Bridge Museum. Since then, \$146,715 in proceeds from various revenue sources have been set aside in a Museum Restricted Reserve Fund.

District Staff

After sixteen years of energetic and innovative leadership, Dale W. Luehring retired as General Manager on December 28. The following day, Carney J. Campion became the eighth General Manager of the Golden Gate Bridge District.

The Board of Directors applauds the fine performances and dedicated service of all our employees who have contributed so much to the year's successes.



Manuel Ceballos
President, Board of Directors

Engineer's Report on Bridge Deck Replacement

On August 15, 1985, at 2:30 AM, exactly 401 nights and days of work after the first section of the 47-year-old reinforced concrete deck was sawcut from the Golden Gate Bridge and replaced with a modern orthotropic steel deck section, the 747th deck section was lowered into place, completing the structural work on the \$65 million project. This project replaced the entire original roadway slab and its supporting steel stringers.

Since the completion of the Golden Gate Bridge in 1937, the salt atmosphere had taken its toll. In 1976 it was determined that the chloride content of the original reinforced concrete roadway slab exceeded the threshold limits for rehabilitation and the roadway would have to be replaced in its entirety.

The original reinforced concrete sidewalks and their structural steel supporting systems were in need of rehabilitation as well. This work was also incorporated in the Bridge deck replacement contract.

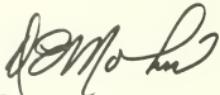
The Bridge deck replacement project was advertised for bids during the Fall of 1982. Nine bids (for the construction contract), ranging from \$52,495 million to \$79,993 million, were submitted. The low bid, submitted by Dillingham/Tokola, a joint venture, was accepted and a contract was awarded on November 16, 1982.

All work involving actual deck replacement was performed at night. Low night-time traffic volume allowed the four lanes to remain out of service until 5:30 AM, at which time the Bridge was configured to accommodate the AM commute traffic.

Since the orthotropic steel replacement roadway element is approximately 40% lighter than the original reinforced concrete roadway element and its supporting stringers, consideration had to be given to achieving a balanced reduction in weight. Computations proved, however, that no part of the structure would be stressed beyond allowable unit stresses under combined loading conditions, so deck replacement began at the north end of the structure and progressed uniformly across the Bridge to the south end.

The final 2" of epoxy asphalt concrete will be applied over the temporary riding surface during the Spring of 1986. This work will be performed by separate contract.

The District successfully sought an amendment to the 1978 Surface Transportation Act which established the eligibility of the Golden Gate Bridge to compete for FHWA Bridge Rehabilitation and Replacement discretionary funds. Following the enactment of this legislation, FHWA agreed to fund 80% of the participating project costs, which amounts to approximately 78% of the \$65 million total project cost. The remaining costs are funded from Bridge tolls. No increase in tolls was required because of this project.



Daniel E. Mohn
District Engineer



1. Portion of original reinforced concrete deck. During the past 47 years, chloride intrusion has caused corrosion of reinforcing steel and delamination within the concrete. The old deck was saw cut and removed in pieces sized to match the new deck sections.



2. Bridge with existing deck removed at pylon. Workers are cleaning and preparing main floor beams to receive new orthotropic deck section. One of the two cranes used in the redecking operation is at the top center of the photo.



3. New sidewalk section. The section consists of three basic components: a) original structural steel frame (which has been rehabilitated), b) new lightweight concrete sidewalk slab, and c) epoxy reinforced fiberglass utility conduit.

Engineer's Report on Bridge Deck Replacement



4. New orthotropic deck section being lowered into place. The top surface of the deck section is prefabricated with a temporary roadway surface including lane line markers so that traffic can resume use of the area immediately upon installation.



5. Deck replacement at north tower. This view from the Marin Headlands shows all the components of a typical deck replacement cycle. The old deck has been removed from the area between the two cranes and a truck with a new deck section is waiting at left.



6. Deck replacement at south tower. A sidewalk section is about to be lifted from its delivery truck so it can be installed on the far side of the cranes. Portable concrete barriers separate the late night traffic from the work site.



7. Last deck section. Sitting on a truck trailer, the last deck section, complete with ceremonial flags, is readied for placement. This section, to be installed at the north end of the Bridge, is not a typical one since it is trapezoidal in shape and relatively small in size.



8. Last deck section. The 747th and last deck section is lowered into place on bridge about 2:30 a.m., August 15, 1985. This climactic event took place 401 work nights and days after the redecking project had originally commenced.

General Manager's Report

Distinct changes in commute travel patterns have occurred within the Golden Gate Corridor. Recent studies revealed a majority of commuters now work in their home county.

Extensive office and retail developments in central and northern Marin County and rapid population growth in Sonoma County have redefined the demographics of the North Bay, altered commute origin and destination patterns, and caused severe traffic congestion between central Marin and southern Sonoma counties.

By monitoring shifts in commute and off-peak travel patterns, District staff has anticipated and responded aggressively to changes created by construction activity. Transit routes and schedules are adjusted to ease congestion problems and to meet the changing travel needs of residents served by the District.

Bridge Traffic Milestones

During the month of February 1985, the District paid tribute to the one-billionth vehicle to cross the Golden Gate Bridge since opening day on May 28, 1937. A billion cars, an awesome figure, would form a line stretching around the earth 113 times or traveling to the moon and back five and half times.

The Golden Gate Bridge carried a total of 39,630,790 vehicles during the fiscal year ending June 30, 1985, a 2.89% increase over the previous year. As Bridge traffic approaches 40 million vehicles annually, the standard for maximum practical capacity, estimated at 25 million a year, will have been exceeded by 60%.

Since fiscal year 1980/81, peak-period southbound traffic volumes have exceeded the District's Bridge traffic management goals — 21,000 vehicles between 6 and 10 AM and a 10-minute travel time between the Waldo Tunnel in Marin and Lyon Street in San Francisco.

In recent years, the increasing frequency of successive new traffic records illustrates the impact of the rise in the number of autos carrying only one passenger and the fall in the use of transit and ridesharing services. Records for all-time high one-day traffic were set twice this past year. The record of 123,604 vehicles registered on Friday, July 27, 1984, was surpassed on Friday, June 21, 1985, when 124,000 vehicles passed through the Toll Plaza lanes.

Diesel Conversion of Larkspur Ferries

The first Larkspur Ferry to be converted to diesel from gas turbine-powered engines returned from San Diego to Larkspur at 4:00 AM on December 16, 1984. As the M.S. San Francisco, it was placed back into service on December 24. The GT Marin left for San Diego on January 2, 1985, arrived back in San Francisco on May 26, and reentered service June 3. The third diesel-converted vessel is anticipated to go into service on November 18, 1985.

For the first time in many years, midday and weekend Larkspur Ferry service was continued through December 31, 1984 and resumed May 1, 1985. The more fuel-efficient diesel engines will enable the District to provide a more comprehensive ferry schedule than was previously possible.

Larkspur Ferry Terminal Dredging Program

Manson Construction & Engineering Co. of Seattle, Washington was awarded the contract for interim dredging of the Larkspur Ferry channel. Dredging began on September 13, 1984. By working three shifts a day, six days a week, the contractor completed all work by October 24. The District is pursuing federal participation in a long-term dredging program for the Larkspur channel. The project, estimated to cost \$3.6 million, has been included in the first major Water Projects Authorization bill to pass the House of Representatives in eight years. The U.S. Army Corps of Engineers has received a \$250,000 authorization to study and begin project design.

Ridesharing Vanpool Program

The District's ridesharing program began in 1977 as a UMTA-funded project to demonstrate the feasibility of commuter vanpools as a form of mass transportation and became a model for vanpool operation across the country. Over the past seven years, the Ridesharing Division has assisted in the formation of 350 vanpools in the private sector. At the end of the current fiscal year, the District also continued to operate its commuter vanpool transition program.

In June of 1985, the Board of Directors approved the reorganization of the Ridesharing Division. The District's vanpool transition program will be turned over to RIDES for Bay Area Commuters, Inc., in the fall of 1985.

Revenue Generation from District Property

The District has prudently managed its real assets to produce revenue, pending implementation of future plans. The District Secretary is authorized to evaluate inquiries for short-term leases of District property in relation to prevailing market rates in the area.

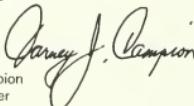
Marin Airporter, a private bus operator, entered into a three-year agreement to lease the District's 1.5-acre parcel at Larkspur Landing for \$2,500 per month plus 50% of gross parking revenues, commencing April 1, 1985. Airport service from the District's property began operation on June 20, 1985.

Escrow closed December 10, 1984 on the sale of 7.5 acres of surplus District property adjoining the San Rafael Bus Division Headquarters for \$2,125,000.

District Personnel

The Golden Gate Bridge, Highway and Transportation District is fortunate to have an outstanding staff of men and women who take great pride in the job they perform on behalf of the public. Their loyalty and responsiveness to challenges are appreciated by the District's management.

Carney J. Campion
General Manager



Auditors' Opinion



The Board of Directors of the
Golden Gate Bridge, Highway and
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District as of June 30, 1985 and 1984 and the related statements of revenues and expenses, fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1985 and 1984 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by Division for the years ended June 30, 1985 and 1984 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte Haskins + Sells

San Francisco, California
September 20, 1985

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Statements of Financial Position
June 30, 1985 and 1984 (In Thousands)

	<u>1985</u>	<u>1984</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,439	\$ 478
Short-term investments	17,121	18,513
Capital and operating grants receivable	3,971	4,065
Accounts receivable	611	753
Maintenance inventories and supplies	1,617	1,469
Prepaid expenses	163	99
Total current assets	<u>24,922</u>	<u>25,377</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	5,059	5,569
Bridge, related buildings and equipment	55,548	55,124
Accumulated depreciation	(23,808)	(22,997)
Net	<u>31,740</u>	<u>32,127</u>
Transit property and equipment:		
Bus	34,778	35,081
Ferry	37,344	37,265
Ridesharing	464	442
Accumulated depreciation	(29,049)	(27,249)
Net	<u>43,537</u>	<u>45,539</u>
Construction in progress	70,879	43,594
Property, plant, and equipment - net	<u>151,215</u>	<u>126,829</u>
TOTAL ASSETS	<u>\$ 176,137</u>	<u>\$ 152,206</u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	\$ 1,534	\$ 1,868
Accrued liabilities	4,205	4,094
Self-insurance liabilities	1,782	1,406
Contract retentions	820	379
Total current liabilities	<u>8,341</u>	<u>7,747</u>
NONCURRENT LIABILITIES	<u>3,176</u>	<u>2,690</u>
FUND EQUITY	<u>164,620</u>	<u>141,769</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 176,137</u>	<u>\$ 152,206</u>

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**Statements of Revenues and Expenses
For the Years Ended June 30, 1985 and 1984 (In Thousands)**

		<u>1985</u>	<u>1984</u>
REVENUES:			
Operating revenues:			
Bridge	\$ 24,670	\$ 23,943	
Bus:			
Bus	13,095	13,046	
Club Bus	601	610	
Ferry	2,701	2,423	
Ridesharing	107	100	
Total operating revenues	<u>41,174</u>	<u>40,122</u>	
Operating assistance:			
State and local	7,265	4,763	
Federal	1,883	2,331	
Total operating assistance	<u>9,148</u>	<u>7,094</u>	
Gain on sale of land	1,613		
Investment income	1,996	2,067	
Total revenues	<u>53,931</u>	<u>49,283</u>	
EXPENSES:			
Operating expenses:			
Bridge	8,005	7,948	
Bus:			
Bus	25,315	24,139	
Club Bus	1,037	1,160	
Ferry	6,560	6,271	
Ridesharing	411	513	
Total operating expenses	<u>41,328</u>	<u>40,031</u>	
Repairs and maintenance:			
Bridge	5,590	5,426	
Bus	5,345	5,457	
Ferry	1,064	1,187	
Ferry litigation settlement - net	(321)		
Total repairs and maintenance	<u>11,999</u>	<u>11,749</u>	
Total expenses	<u>53,327</u>	<u>51,780</u>	
EXCESS OF REVENUES (EXPENSES)	604	(2,497)	
AMORTIZATION OF CAPITAL GRANTS	<u>3,189</u>	<u>2,349</u>	
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO DISTRICT EQUITY	<u>\$ 3,793</u>	<u>\$ (148)</u>	

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Statements of Fund Equity
For the Years Ended June 30, 1985 and 1984 (In Thousands)

	<u>DISTRICT EQUITY</u>	<u>CAPITAL GRANT EQUITY</u>	<u>TOTAL FUND EQUITY</u>
BALANCE, JUNE 30, 1983	\$ 69,575	\$ 41,821	\$ 111,396
EXCESS OF EXPENSES OVER REVENUES TRANSFERRED TO DISTRICT EQUITY	(148)		(148)
AMORTIZATION OF CAPITAL GRANTS		(2,349)	(2,349)
CAPITAL GRANTS:			
Bridge		19,963	19,963
Bus		11,029	11,029
Ferry		1,878	1,878
BALANCE, JUNE 30, 1984	69,427	72,342	141,769
EXCESS OF REVENUES OVER EXPENSES TRANSFERRED TO DISTRICT EQUITY	3,793		3,793
AMORTIZATION OF CAPITAL GRANTS		(3,189)	(3,189)
CAPITAL GRANTS:			
Bridge		18,340	18,340
Bus		1,833	1,833
Ferry		2,074	2,074
BALANCE, JUNE 30, 1985	\$ 73,220	\$ 91,400	\$ 164,620

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**Statements of Changes in Financial Position
For the Years Ended June 30, 1985 and 1984 (In Thousands)**

	<u>1985</u>	<u>1984</u>
CASH PROVIDED (USED) BY OPERATIONS:		
Excess of revenues (expenses)	\$ 604	\$ (2,497)
Items not using (providing) cash:		
Depreciation and amortization	4,567	3,982
Non-current liabilities - increase (decrease)	486	(60)
Changes in working capital items:		
Capital and operating grants receivable - decrease (increase)	94	(2,552)
Other current assets - (increase) decrease	(70)	867
Trade accounts payable - (decrease)	(334)	(45)
Self-insurance liabilities - increase	376	265
Other current liabilities - increase	552	511
Cash provided by operations	<u>6,275</u>	<u>471</u>
CASH PROVIDED BY CAPITAL GRANTS:		
Bridge	18,340	19,963
Bus	1,833	11,029
Ferry	2,074	1,878
Cash provided by capital grants	<u>22,247</u>	<u>32,870</u>
CASH USED FOR PROPERTY ADDITIONS:		
Bridge	(24,264)	(25,961)
Bus	(2,400)	(12,048)
Ferry	(3,283)	(2,006)
Ridesharing	(23)	(7)
Property disposals	1,017	1,251
Cash used for property additions	<u>(28,953)</u>	<u>(38,771)</u>
CASH AND SHORT-TERM INVESTMENTS:		
Decrease for the year	(431)	(5,430)
Balance, beginning of year	18,991	24,421
Balance, end of year	<u>\$ 18,560</u>	<u>\$ 18,991</u>

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**Supplemental Schedules of Revenues and Expenses by Division
For the Years Ended June 30, 1985 and 1984 (In Thousands)**

	TOTAL		BRIDGE DIVISION	
	1985	1984	1985	1984
REVENUES:				
Operating revenues	\$ 41,174	\$ 40,122	\$ 24,670	\$ 23,943
Operating assistance:				
State	7,265	4,763	140	
Federal	1,883	2,331		
Total operating assistance	9,148	7,094	140	
Gain on sale of land	1,613			
Investment income	1,996	2,067	1,996	2,067
Total revenues	53,931	49,283	26,806	26,010
EXPENSES:				
Operating expense	41,328	40,031	8,005	7,948
Current repairs and maintenance	11,999	12,070	5,590	5,426
Ferry litigation settlement-net		(321)		
Total expenses	53,327	51,780	13,595	13,374
EXCESS OF REVENUES (EXPENSES)	604	(2,497)	13,211	12,636
AMORTIZATION OF CAPITAL GRANTS	3,189	2,349	20	
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO DISTRICT EQUITY	\$ 3,793	\$ (148)	\$ 13,231	\$ 12,636

BUS DIVISION				FERRY DIVISION		RIDESHARING DIVISION	
BUS		CLUB BUS		1985	1984	1985	1984
1985	1984	1985	1984				
\$ 13,095	\$ 13,046	\$ 601	\$ 610	\$ 2,701	\$ 2,423	\$ 107	\$ 100
5,963	4,100			1,162	663		
1,445	1,909			438	365		57
7,408	6,009			1,600	1,028		57
1,613							
22,116	19,055	601	610	4,301	3,451	107	157
25,315	24,139	1,037	1,160	6,560	6,271	411	513
5,345	5,457			1,064	1,187		
(30,660)	(29,596)	(1,037)	(1,160)	(7,624)	(7,137)	411	513
(8,544)	(10,541)	(436)	(550)	(3,323)	(3,686)	(304)	(356)
2,358	1,489			809	850	2	10
\$ (6,186)	\$ (9,052)	\$ (436)	\$ (550)	\$ (2,514)	\$ (2,836)	\$ (302)	\$ (346)

Notes to Financial Statements

1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

2. SIGNIFICANT ACCOUNTING POLICIES

Property, Plant and Equipment — The Bridge and related buildings and equipment are carried at cost and depreciated by the straight-line method over the following estimated useful lives: Bridge structural components, one hundred years; buildings, toll plaza structure, Bridge and approach roadways and sidewalks, fifty years; roadway lighting, toll collection, and other equipment, three to twenty years. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Major repairs and replacements are capitalized.

Transit property and equipment are carried at cost and depreciated by the straight-line method over their estimated useful lives (buses, ten years; ferry boats, forty years). Depreciation on equipment acquired by capital grants is included in expense; a credit reflecting amortization of the related capital grants is included in the excess of revenues over expenses transferred to District equity. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Major additions are capitalized.

The costs of acquisition and construction of equipment and facilities are recorded in construction in progress until such assets are completed and placed in service, at which time depreciation and amortization of capital grants are recorded.

Short-term investments are stated at cost which approximates market value.

Noncurrent liabilities consist primarily of the portions of self-insurance liabilities and accrued compensated absences which are not expected to be paid during the next fiscal year.

Pension Plans — The District participates in several pension plans covering all employees. Certain union members are covered under single employer or multiemployer plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. Pension contributions are based on rates established by negotiated labor contracts or by administrators of the plans. The District's policy is to fund pension costs as accrued.

3. TRANSIT CAPITAL GRANTS

The District has received grants from the Urban Mass Transportation Administration which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The District also receives grants under State Transit Assistance programs primarily for the acquisition of buses and related facilities. These grants, less related amortization, are included in capital grant equity and are summarized at June 30, 1985 as follows (in thousands):

Notes to Financial Statements

	Bus and Ridesharing Divisions	Ferry Division
Total approved project cost	\$ 47,912	\$ 45,384
Total approved capital grants	\$ 40,449	\$ 34,564
Less grants received or receivable	<u>(34,896)</u>	<u>(31,762)</u>
Remaining grants available	<u>\$ 5,553</u>	<u>\$ 2,802</u>
Grants credited to capital grant equity:		
Total, July 1, 1984	\$ 32,395	\$ 29,662
Additions in 1985:		
Urban Mass Transportation Administration	490	1,691
State Transit Assistance	1,343	383
Total, June 30, 1985	<u>34,228</u>	<u>31,736</u>
Less amounts amortized	<u>(15,524)</u>	<u>(8,413)</u>
Net grants in capital grant equity	<u>\$ 18,704</u>	<u>\$ 23,323</u>

Expenditures of capital grant funds are subject to final review by the grantor agencies. At June 30, 1985 expenditures of approximately \$62,751,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$3,907,000) will be approved in full.

4. BRIDGE DECK REPLACEMENT GRANT

The District has contracted to replace the Bridge roadway and sidewalk and make certain structural and other improvements at a currently estimated cost of approximately \$70.6 million. The District has a grant contract with the State of California Department of Transportation (Caltrans) through which it expects to receive Federal Highway Assistance funding for 80% of the project cost. This grant is summarized at June 30, 1985 as follows (in thousands):

	Project Costs Incurred	Grants Received
Fiscal 1985	\$ 23,160	\$ 18,340
Prior years	<u>39,116</u>	<u>31,053</u>
Subtotal	<u>\$ 62,276</u>	<u>\$ 49,393</u>
Less amounts amortized		(20)
Total	<u>\$ 62,276</u>	<u>\$ 49,373</u>

Caltrans pays project costs and is reimbursed by the District for its share. The District has deposited \$1,100,000 in an escrow account as security for this arrangement.

Notes to Financial Statements

5. STATE AND LOCAL OPERATING ASSISTANCE

The District receives state and local operating assistance from two principal sources. Transportation Development Act funds amounting to \$6,402,000 and \$4,763,000 were received by the District for the years ended June 30, 1985 and 1984, respectively. These funds are received from Sonoma and Marin counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission (MTC). State Transit Assistance funds of \$724,000 were received by the District for the year ended June 30, 1985. These funds are received directly from MTC based on the ratio of the District's transit operation revenue and local support to the revenue and local support of all state transit agencies. In prior years the District had elected to use these funds for capital purposes.

6. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,883,000 and \$2,331,000 of Federal operating assistance for the years ended June 30, 1985 and 1984, respectively. These funds are distributed to the District by the Urban Mass Transportation Administration after approval by MTC. The 1985 funds are subject to final review and the District anticipates that they will be approved in full.

7. PENSION PLANS

Pension expense for the years ended June 30, 1985 and 1984 was \$3,721,000 and \$3,395,000.

The District's bus operators are covered by a pension plan funded by the District and administered by a board of trustees consisting of District and union representatives. As of December 30, 1982, the date of the plan's most recent actuarial valuation, the actuarial present value of vested and nonvested accumulated plan benefits, based on an 8% interest rate assumption, was \$33,125,000; net assets available for benefits totaled \$17,117,000. Comparable information is not available from the State of California's Public Employees' Retirement System and other union-administered multiemployer plans in which the District is a participant.

8. DEFERRED COMPENSATION PLAN

The District has a deferred compensation plan, adopted pursuant to Internal Revenue Code Section 457(b), which provides for the deferral of a portion of participating employees' compensation until retirement, termination, or certain other covered events. Plan assets totaled \$2,262,000 and \$1,670,000 at June 30, 1985 and 1984 and are invested primarily in certificates of deposit. The benefits due under the plan are fully funded. Plan assets are held by an administrator in a segregated fund. As required by IRC Section 457, however, plan assets remain the property of the District until paid or made available to the participants, subject only to the District's general creditors.

9. COMMITMENTS AND CONTINGENCIES

In July 1985 the District received a change of work proposal from the construction contractor for the District's bridge deck replacement project. The proposal requests additional compensation of \$6,602,000 for costs allegedly caused by the District not otherwise compensated for in previously issued contract change orders. The proposal is currently being evaluated by the District, its legal counsel and engineering experts. In the opinion of counsel, the District should be eligible for Federal Highway Assistance funding (see Note 4) for a portion of the cost if part or all of the proposal is found to be meritorious. Management believes that the District's share of such cost would not have a material effect on the District's financial position.

Notes to Financial Statements

At June 30, 1985, the District had commitments of approximately \$3,221,000 for its share of the Bridge deck replacement project and approximately \$264,000 for transit equipment and other projects.

There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. The District maintains insurance coverage for such incidents, and provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies.

10. DISTRICT-RESTRICTED FUNDS

The Board of Directors has restricted portions of the District's available funds for replacement of the Bridge deck and transit equipment and for other anticipated expenditures or possible emergencies. An analysis of District-restricted funds at June 30, 1985 follows (in thousands):

Net current assets	\$ 16,581
Add (deduct):	
Accrued compensated absences	2,553
Retention on bridge deck replacement project	497
Maintenance inventories and supplies	(1,617)
Prepaid expenses	(163)
Total available funds	<u>17,851</u>
Less District-imposed restrictions for:	
Replacement of Bridge deck	2,280
Replacement of buses and ferry boats	4,000
Insurance claims	1,704
Museum fund	147
Van replacement	221
Emergencies	5,000
Total restricted funds	<u>13,352</u>
Total unrestricted funds	<u>\$ 4,499</u>

11. ALLOCATION OF DISTRICT DIVISION EXPENSE

District Division expense has been allocated to the operating divisions by resolution of the Board of Directors as follows (in thousands):

	1985	1984
Bridge	\$ 2,143	\$ 1,677
Bus	2,609	2,467
Ferry	561	868
Ridesharing	32	62
Total	<u>\$ 5,345</u>	<u>\$ 5,074</u>

Officers and Managers



Carney J. Campion
General Manager



Gene P. Rexrode
Secretary



Robert D. Tough
Auditor-Controller



Daniel E. Mohn
Engineer



David J. Miller
Attorney



Robert A. Warren
Bridge
Division Manager



H. Donald White
Bus Transit
Division Manager



Eric A. Robinson
Ferry Transit
Division Manager



William E. Gaut
Ridesharing
Division Manager

Board of Directors



Gary T. Giacomini
Marin
First Vice President



Manuel Ceballos
San Francisco
President



Quentin L. Kopp
San Francisco
Second Vice President



C. Paul Bettini
Marin



James R. Bronkema
San Francisco



L. E. 'Bud' Castner
Sonoma



Jack W. Cavanagh
Sonoma



Carl Daubeneck
Mendocino



Lowell Edington
Napa



Edwin M. Fraser
Del Norte



James L. Harberson
Sonoma



Stephan C. Leonoudakis
San Francisco



Robert McDonnell
San Francisco



John L. Molinari
San Francisco



Bob Ross
San Francisco



Carol Ruth Silver
San Francisco



Richard D. Spotswood
Marin



Robert Stockwell
Marin



Nancy G. Walker
San Francisco



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

ABOUT THE FRONT COVER

GOLDEN GATE BRIDGE 50TH ANNIVERSARY

On January 5, 1933 work began to bridge the Golden Gate. The Bridge was completed and opened to traffic on May 28, 1937. As part of the commemoration of this historic undertaking, the District prepared an exhibit about the construction of the Bridge. The exhibit includes, among other things, five panels of photographs from the District's archives, with one panel for each calendar year of Bridge construction. Thus, for the cover of this 1985 annual report, the 1935 exhibit panel picturing the progress of construction 50 years ago is reproduced.

PHOTO CREDITS

Front cover:
alt: Charles Hiller, District Archives

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ANNUAL REPORT

1985-1986

GOLDEN GATE BRIDGE, HIGHWAY
AND TRANSPORTATION DISTRICT



October 1936. View from Baker Beach, San Francisco. The main cables are all in place with most of the suspender ropes attached. The hanging of the deck truss is underway. The unusual curvature to the deck truss is due to the partial loading of the main cable. The arch span over Fort Point is also in progress.



June 1936. Main cable compacting. This machine transforms the small wire bundles into the finished single round form of main cable. The machine is traveling away from the photographer. Remnants of the cable spinning system are overhead.



November 1936. Building the roadway truss. A vertical member of the truss is being erected. A typical floor girder plate girder is visible to the right. The safety net, which will ultimately extend the full length of the Bridge, can be seen below.



November 1936. At midspan, sections of the roadway truss are being installed. The Golden Gate is now bridged.
November 1936. Roadway truss is complete. Workers can be seen painting the suspender ropes.

50 YEARS AGO

Summary of the Fiscal Year

	1986	1985
	(In Thousands)	
GOLDEN GATE BRIDGE		
Total Vehicles	40,489	39,631
GOLDEN GATE TRANSIT & RIDESHARING		
Bus Passengers	8,712	8,655
Ferry Passengers	1,279	1,126
Club Bus Riders	286	297
Vanpool Riders	59	84
FINANCIAL SUMMARY		
Revenues:		
Operating Revenues	\$ 41,542	\$ 41,174
Operating Assistance	10,269	9,148
Other	1,336	3,609
Total Revenues	<u>53,147</u>	<u>53,931</u>
Expenses:		
Operating	46,827	41,328
Repairs & Maintenance	11,890	11,999
Total Expenses	<u>58,717</u>	<u>53,327</u>
Amortization of Capital Grants	3,583	3,189
Excess of Revenues (Expenses) Transferred to Equity	<u>\$ (1,987)</u>	<u>\$ 3,793</u>

Officers • Directors • Managers

Officers of the District

Gary Giacomini, President
 Quentin L. Kopp, First Vice President
 Richard D. Spotswood,
 Second Vice President
 Carney J. Campion, General Manager
 Gene P. Rexrode, Secretary
 Robert D. Tough, Auditor-Controller
 David J. Miller, Attorney
 Daniel E. Mohn, Engineer

Operating Managers

Bus Transit, H. Donald White
Ferry Transit, Eric A. Robinson
Bridge, Robert A. Warren

District Board of Directors

**CITY/COUNTY OF
 SAN FRANCISCO**
 James R. Bronkema
 Manuel Ceballos
 Quentin L. Kopp
 Stephan C. Leonoudakis
 Robert McDonnell
 John L. Molinari
 Bob Ross
 Carol Ruth Silver
 Nancy G. Walker

MARIN COUNTY
 C. Paul Bettini
 Gary Giacomini
 Richard D. Spotswood
 Robert Stockwell

SONOMA COUNTY
 L.E. "Bud" Castner
 Jack W. Cavanagh
 James L. Harberson

NAPA COUNTY
 Lowell Edington

MENDOCINO COUNTY
 Carl Daubeneck

DEL NORTE COUNTY
 Bernard McLendon

President's Message

As we review the major events of the past year, the Golden Gate Bridge, Highway, and Transportation District is anticipating the Golden Anniversary of the opening of the Golden Gate Bridge to traffic in 1937. While preparing to celebrate its past, the District is planning for its future.

The Board of Directors has initiated actions designed to meet the District's mission of accommodating the growth of traffic across the Golden Gate Bridge and improving traffic conditions on Highway 101. These fiscal year 1985/86 programs, designed and implemented to carry the District into the next century, included:

- replacement of the original Golden Gate Bridge roadway and sidewalks and contracting for its final paving;
- purchase of half the land for the San Rafael Transportation Center;
- pursuit of Federal and State monies to fully acquire the Northwestern Pacific Railroad Right-of-Way;
- expansion of Larkspur Ferry services and initiation of ferry shuttle bus service in San Francisco;
- breaking of ground for the new Administration Building in San Rafael;
- purchase of 21 new intercity coaches and four new short buses.

Highway 101 Corridor Plan & Northwestern Pacific Railroad Right-of-Way

The primary mission of the Golden Gate Bridge District is to maintain and operate the Golden Gate Bridge, ensure reasonable mobility across the Bridge, and, insofar as resources permit, provide public transit services in the Golden Gate Corridor from Sonoma and Marin Counties to San Francisco.

Travel patterns have changed considerably and congestion on Highway 101 has increased dramatically in the 1980's. In 1984, a Highway 101 Action Committee began an analysis of traffic congestion on U.S. 101 and investigation of future transportation needs along the three-county corridor.

The first phase of the "Highway 101 Corridor Plan" offered three solutions to Highway 101 congestion, each of which called for acquisition of the Northwestern Pacific Railroad for use as an exclusive transit way. The more specific "Northwestern Pacific Railroad Right-of-Way Plan," completed in December 1985, compares alternative transit systems which could operate on the NWPRR Right-of-Way and the capital improvements required for each system.

Therefore, the Golden Gate Bridge District's number one priority is to acquire the NWPRR Right-of-Way and eventually construct a public transit guideway from Sonoma County to the Larkspur Ferry Terminal.

Two and one half miles of the NWPRR Right-of-Way have been purchased by the District, in association with the NWPRR Interagency Task Force, a joint effort of the District and cities and public agencies within Marin and Sonoma counties.

San Rafael Transportation Center

The District's priority capital project for the next five years is construction of the San Rafael Transportation Center. The transit center will relocate bus and passenger on-street transfer points of five different operators into a common terminal, bordered by 2nd and 3rd Streets and Hetherton and Tamalpais Avenues.

The San Rafael Transportation Center will provide shelter, restrooms, a snack shop, and a clean well-lighted passenger waiting area, as well as improve transit accessibility for elderly and handicapped travellers.

The Transit Center Project involves the joint efforts of the City of San Rafael, San Rafael Redevelopment Agency, County of Marin, Marin County Transit District, and the Golden Gate Bridge, Highway and Transportation District.

Private Sector Participation

The District reaffirmed its policy of encouraging and cooperating with private sector resources to help deliver public transit services. In accordance with UMTA guidelines, the District:

- analyzes existing services to determine if private operators could provide any service more efficiently and effectively;
- consults with local enterprises on service planning, identifies candidates for privatization, develops mailing lists, prepares performance specifications, and monitors potential impediments to contracting with private firms;
- provides a list and description of new or restructured services for consideration by private firms;
- develops an annual list of private firms to be notified of opportunities which become available;
- issues requests for bids and proposals from private firms; and
- vigorously pursues public/private partnerships in transit financing.

South African Divestment Policy

On October 25, the Board of Directors voted to withdraw all its funds from financial institutions that maintain branches in South Africa, sell Krugerands, or lend to the South African government or corporations.

The District's divestment will be phased over five years and will be conducted in a manner consistent with sound investment practices.

This policy will be reconsidered in the future if, in the judgment of the Board of Directors, there are significant improvements and commitment to ending apartheid in South Africa.

District Staff

The Golden Gate Bridge District is fortunate to have a remarkable staff of men and women who are the keys to the success of the District's operations. On behalf of the Board of Directors, I wish to acknowledge the contributions of all our employees who share the same commitment to providing quality service to the public.



Gary Giacomini
President



The new Golden Gate Bridge Roadway is expected to last 100 years or more.



Over 40 million vehicles passed through the Toll Plaza lanes during the past year. If the Bridge District had not offered bus, ferry, and ridesharing services, traffic on the Bridge would have reached unmanageable proportions many years ago.



Three-vessel Larkspur Ferry service became effective on November 18, 1985. Additional service became possible with the completion of the diesel conversion program.



Larkspur Ferry passengers enjoy the comfort of the new glass-enclosed passenger waiting area within the Larkspur Ferry Terminal.



Golden Gate Transit's free shuttle bus service for Golden Gate Ferry passengers operates from the San Francisco Ferry Building to employment centers in downtown San Francisco.



The conveniently located San Rafael Transportation Center will provide a variety of attractive amenities for transit riders.



New short Gillig buses are ideal for Golden Gate Transit's service over the winding roads of West Marin.



The proximity of the Northwestern-Pacific Railroad to highway 101 and the Larkspur Ferry Terminal can be seen in this view looking south toward Corte Madera.



This two-story building under construction in San Rafael will become the new home for District administration staff.

General Manager's Report

The Golden Gate Bridge, Highway, and Transportation District plays an indispensable role in the continuing development and growth of Northern California, especially in preserving and strengthening the historical, social, and economic alliances between San Francisco and the burgeoning North Bay counties.

Traffic growth along Highway 101 bears witness to both our challenge and our commitment to serve the multiplicity of needs which stretch into the next century.

In 1986, falling gasoline prices and federally-mandated higher-mileage automobiles have been major factors in a decrease in commute bus patronage and ridesharing and an increase in auto commute traffic. In addition, commute travel patterns have changed as major employers decentralize operations and move large numbers of workers to suburban locations in the East and North Bay counties.

Reshaping the commute habits and attitudes of the single occupant automobile driver represents one of the greatest challenges we face today.

Bridge Traffic

For the first time in the 49-year history of the Golden Gate Bridge, annual traffic across the Bridge exceeded 40 million vehicles.

During the past twelve months, 40,489,422 vehicles were recorded crossing the Bridge. This was a 2.2% increase over the previous year. This volume surpasses the theoretical capacity — by 60% — of 25 million vehicles a year.

A one-day traffic record was set on June 19, 1986, as 125,628 vehicles crossed the span in a 24-hour period. The record was broken the following day when the count reached 126,828. High traffic volume on two consecutive days is a vivid indication of the steadily increasing traffic conditions the Bridge District must address with all its imagination and resources.

An average of 110,930 vehicles crossed the Bridge each day in FY 1986.

Bridge Deck Replacement Project

At 2:30 a.m. on August 15, 1985, the final section of the new roadway for the Golden Gate Bridge was lowered into place, completing the first phase of the largest engineering project since the Bridge was opened in 1937.

The District has an historical commitment to use toll revenues for mass transportation endeavors. The costs of replacing the roadway are financed 80% by Federal Highway Administration funds, with the remaining money allocated from the Restricted Reserves for Bridge Deck Replacement.

On June 24, 1986, contract for the final phase of the Deck Replacement Project, paving the new roadway, was awarded, funded once again by a combination of 80% federal monies and the balance from the District.

CalTrans will provide professional engineering, inspection and laboratory testing during the paving contract.

San Rafael Facilities Expansion

Fifteen years after Golden Gate Transit began operation, it has outgrown its headquarters in San Rafael. Construction of a new two-story addition, modernization of old buildings, and expansion of maintenance facilities will allow better utilization of existing space and improve the efficiency of the bus operations.

After the construction contract was awarded December 20, ground was broken for the new building on February 18, 1986. The two-story addition is scheduled for completion in January 1987.

Golden Gate Transit's primary maintenance facility, located in San Rafael, was designed for 250 buses. The facility's expansion plans will incorporate state-of-the-art equipment necessary to maintain a 400-plus bus fleet, wheelchair lifts, electronic destination signs and fareboxes, and other technological innovations.

Work on the expansion of the San Rafael bus parking lot was completed in early July, 1986. The San Rafael Facility Expansion Project is being funded on a 80/20 split of federal and state transportation assistance funds.

Bus Replacement Program

Eleven of the oldest General Motors Corporation buses were declared surplus and sold. Four new 30-foot buses were purchased from Gillig Corporation of Hayward, California for \$137,005 each, plus spare parts. These new shorter buses will be used in West Marin and on local Marin routes.

The District has also contracted for the purchase of twenty-one 40-foot diesel intercity coaches at a base bid of \$192,966 each. Delivery of the first of these buses is expected in 1987.

Larkspur Ferry Service

The Golden Gate Ferry System is the most environmentally desirable transportation alternative to the private auto. The District continues to explore ways to make our ferry services more attractive to commuters.

The Larkspur Ferry services were expanded to a three-vessel operation on November 18, 1985, after the arrival of the third Larkspur Ferry to have its engines converted to diesel power. With added commute runs, year round weekend and daily midday service, plus an aggressive marketing campaign, patronage on the Larkspur Ferries increased significantly. By June, commute service patronage was up 33% while overall ridership increased to 44%. In addition, cost reductions anticipated by the diesel conversions have met and exceeded expectations.

In 1987, the Ferry System is expected to achieve a farebox operating ratio of 47% — the highest of any public transit service in the Bay Area.

In conjunction with expanded ferry schedules, free ferry shuttle bus service between the San Francisco Ferry Building and the Financial District and South-of-Market areas began August 15, 1985.

A new glass-enclosed passenger waiting area within the Larkspur Terminal was completed during 1986. This added passenger amenity provides weather protection for 126 passengers and increases the appeal of the ferry service to commuters during inclement weather.

Sausalito Ferry's Fifteenth Anniversary

August 15, 1985 marked the fifteenth anniversary of the inauguration of the Golden Gate Sausalito Ferry Service. Since service began, the M.V. Golden Gate has carried over 13.1 million passengers across the Bay between San Francisco and Sausalito.

District Personnel

I wish to express my continuing appreciation to all of the District's employees whose technical and professional skills contribute to the successful operation of our many and varied responsibilities.

Carney J. Campion
General Manager



Auditors' Opinion

The Board of Directors of the
Golden Gate Bridge, Highway and
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District as of June 30, 1986 and 1985 and the related statements of revenues and expenses, fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1986 and 1985 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by Division for the years ended June 30, 1986 and 1985 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte Haskins + Sells

San Francisco, California
September 20, 1986

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Statements of Fund Equity
For the Years Ended June 30, 1986 and 1985 (In Thousands)

	<u>DISTRICT EQUITY</u>	<u>CAPITAL GRANT EQUITY</u>	<u>FRIENDS OF THE GOLDEN GATE BRIDGE</u>	<u>TOTAL FUND EQUITY</u>
BALANCE, JUNE 30, 1984	\$ 69,427	\$ 72,342		\$ 141,769
EXCESS OF REVENUES TRANSFERRED TO EQUITY		3,793		3,793
AMORTIZATION OF CAPITAL GRANTS		(3,189)		(3,189)
CAPITAL GRANTS:				
Bridge		18,340		18,340
Bus		1,833		1,833
Ferry		2,074		2,074
BALANCE, JUNE 30, 1985	73,220	91,400		164,620
EXCESS OF EXPENSES TRANSFERRED TO EQUITY	(1,237)		\$ (750)	(1,987)
AMORTIZATION OF CAPITAL GRANTS		(3,583)		(3,583)
CAPITAL GRANTS:				
Bridge		4,327		4,327
Bus		1,953		1,953
Ferry		1,401		1,401
BALANCE, JUNE 30, 1986	\$ 71,983	\$ 95,498	\$ (750)	\$ 166,731

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**Statements of Changes in Financial Position
For the Years Ended June 30, 1986 and 1985 (In Thousands)**

	1986	1985
CASH PROVIDED (USED) BY OPERATIONS:		
Excess of revenues (expenses)	\$ (5,570)	\$ 604
Items not using cash:		
Depreciation and amortization	5,414	4,567
Noncurrent liabilities - increase	660	1,119
Effect of working capital items:		
Capital and operating grants receivable	(1,063)	94
Other current assets	(42)	(70)
Trade accounts payable	377	(334)
Self-insurance liabilities	373	376
Other current liabilities	92	552
Cash provided by operations	<u>241</u>	<u>6,908</u>
CASH PROVIDED BY CAPITAL GRANTS:		
Bridge	4,327	18,340
Bus	1,953	1,833
Ferry	1,401	2,074
Cash provided by capital grants	<u>7,681</u>	<u>22,247</u>
CASH USED FOR INVESTMENT ACTIVITIES:		
Property additions:		
Bridge	(6,688)	(24,264)
Bus	(2,248)	(2,400)
Ferry	(1,227)	(3,283)
Ridesharing	(23)	
Property disposals	213	1,017
Deferred compensation plan assets - increase	(767)	(633)
Cash used for investment activities	<u>(10,717)</u>	<u>(29,586)</u>
CASH AND SHORT-TERM INVESTMENTS:		
Decrease for the year	(2,795)	(431)
Balance, beginning of year	18,560	18,991
Balance, end of year	<u>\$ 15,765</u>	<u>\$ 18,560</u>

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**Supplemental Schedules of Revenues and Expenses by Division
For the Years Ended June 30, 1986 and 1985 (In Thousands)**

	TOTAL		BRIDGE DIVISION	
	1986	1985	1986	1985
REVENUES:				
Operating revenues	<u>\$ 41,542</u>	<u>\$ 41,174</u>	<u>\$ 25,332</u>	<u>\$ 24,670</u>
Operating assistance:				
State and local	<u>8,263</u>	<u>7,265</u>	<u>132</u>	<u>140</u>
Federal	<u>2,006</u>	<u>1,883</u>		
Total operating assistance	<u>10,269</u>	<u>9,148</u>	<u>132</u>	<u>140</u>
Gain on sale of land		<u>1,613</u>		
Investment income	<u>1,336</u>	<u>1,996</u>	<u>1,336</u>	<u>1,996</u>
Total revenues	<u>53,147</u>	<u>53,931</u>	<u>26,800</u>	<u>26,806</u>
EXPENSES:				
Operating expenses	<u>46,827</u>	<u>41,328</u>	<u>10,612</u>	<u>8,005</u>
Repairs and maintenance	<u>11,890</u>	<u>11,999</u>	<u>5,980</u>	<u>5,590</u>
Total expenses	<u>58,717</u>	<u>53,327</u>	<u>16,592</u>	<u>13,595</u>
EXCESS OF REVENUES (EXPENSES)	<u>(5,570)</u>	<u>604</u>	<u>10,208</u>	<u>13,211</u>
AMORTIZATION OF CAPITAL GRANTS	<u>3,583</u>	<u>3,189</u>	<u>950</u>	<u>20</u>
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO EQUITY	<u>\$ (1,987)</u>	<u>\$ 3,793</u>	<u>\$ 11,158</u>	<u>\$ 13,231</u>

BUS DIVISION				FERRY DIVISION		RIDESHARING DIVISION		FRIENDS OF THE GOLDEN GATE BRIDGE	
BUS		CLUB BUS		1986		1985		1986	
1986	1985	1986	1985	1986	1985	1986	1985	1986	1986
\$ 12,558	\$ 13,095	\$ 630	\$ 601	\$ 2,977	\$ 2,701	\$ 20	\$ 107	\$ 25	
6,780	5,963			1,306	1,162		45		
1,629	1,445			377	438				
8,409	7,408			1,683	1,600		45		
	1,613								
20,967	22,116	630	601	4,660	4,301	65	107	25	
26,740	25,315	992	1,037	7,491	6,560	217	411	775	
4,609	5,345			1,301	1,064				
31,349	30,660	992	1,037	8,792	7,624	217	411	775	
(10,382)	(8,544)	(362)	(436)	(4,132)	(3,323)	(152)	(304)	(750)	
1,630	2,358			1,000	809	3	2		
\$ (8,752)	\$ (6,186)	\$ (362)	\$ (436)	\$ (3,132)	\$ (2,514)	\$ (149)	\$ (302)	\$ (750)	

Notes to Financial Statements

1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District (the "District") is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

Friends of the Golden Gate Bridge ("FGGB") was incorporated in 1986 as a nonprofit public benefit corporation to sponsor the fiftieth anniversary commemoration of the opening of the Golden Gate Bridge, which is to occur in May 1987. The District is the sole member of FGGB and has control over its activities through appointment of a majority of FGGB's Board of Trustees and approval of FGGB's major policies, plans, programs, budgets, and expenditures; however, FGGB is a separate legal entity whose obligations are not obligations of the District.

2. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The accompanying financial statements include the financial activities of the District and FGGB. Inter-entity transactions have been eliminated.

Short-term investments are stated at cost which approximates market value.

Deferred compensation plan assets are stated at market value.

Property, plant and equipment are recorded at total cost; related capital grants are recorded as capital grant equity. Depreciation based on the total cost of property acquired with capital grants is included in expense; a credit reflecting amortization of the related capital grants is included in the excess of revenues over expenses transferred to equity. Major additions and replacements are capitalized. Maintenance, repairs, and additions of a minor nature are expensed as incurred.

The costs of acquisition and construction of equipment and facilities are recorded in construction in progress until such assets are completed and placed in service, at which time depreciation and amortization of capital grants are recorded.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

- Bridge structural components — 100 years
- Bridge buildings, toll plaza structure, deck and approach roadways and sidewalks — 50 years
- Bridge roadway lighting, toll collection, and other equipment — 3 to 20 years
- Buses — 12 years
- Ferry boats — 40 years
- Other transit property — 5 to 40 years

Effective July 1, 1985, the estimated useful lives of buses were extended to 12 years (formerly 10 years) to more closely approximate actual experience. This change reduced depreciation expense by \$670,000 during fiscal 1986.

Operating assistance grants are recorded as revenue upon approval by the grantor agencies.

Pension Plans — The District participates in several pension plans covering all employees. Certain union members are covered under single employer or multiemployer plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. Pension contributions are based on rates established by negotiated labor contracts or by administrators of the plans. The District's policy is to fund pension costs as accrued.

Notes to Financial Statements

3. BRIDGE DECK REPLACEMENT GRANT

The District has a grant contract with the State of California Department of Transportation (Caltrans) through which it receives Federal Highway Assistance funding for approximately 80% of the cost to replace the Bridge roadway and sidewalk and make certain structural and other improvements. The total cost of this project is currently estimated to be \$76.1 million. This grant, less related amortization, is included in capital grant equity and is summarized at June 30, 1986 as follows (in thousands):

	<u>Project Costs Incurred</u>	<u>Grants Received</u>
Fiscal 1986	\$ 5,933	\$ 4,327
Prior years	62,276	49,393
Subtotal	68,209	53,720
Less grants amortized		(970)
Total	\$ 68,209	\$ 52,750

Caltrans pays project costs and is reimbursed by the District for its share. The District has deposited \$1,100,000 in an escrow account as security for this arrangement.

4. TRANSIT CAPITAL GRANTS

The District has received grants from the Urban Mass Transportation Administration which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The District also receives grants under State Transit Assistance programs primarily for the acquisition of buses and related facilities. These grants, less related amortization, are included in capital grant equity and are summarized at June 30, 1986 as follows (in thousands):

	<u>Bus and Ridesharing Divisions</u>	<u>Ferry Division</u>
Total approved project cost	\$ 54,987	\$ 46,338
Total approved capital grants	\$ 47,575	\$ 35,516
Less grants received or receivable	(36,827)	(33,079)
Remaining grants available	\$ 10,748	\$ 2,437
Grants credited to capital grant equity:		
Total, July 1, 1985	\$ 34,228	\$ 31,736
Additions in 1986:		
Urban Mass Transportation Administration	1,536	1,140
State Transit Assistance	417	261
Total, June 30, 1986	36,181	33,137
Less amounts amortized	(17,156)	(9,414)
Net grants in capital grant equity	\$ 19,025	\$ 23,723

Expenditures of capital grant funds are subject to final review by the grantor agencies. At June 30, 1986 expenditures of approximately \$65,964,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$3,354,000) will be approved in full.

Notes to Financial Statements

Insured and uninsured risks — There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. In general, the District is insured for risks where coverage is available and considered to be cost-effective. Provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies and for uninsured losses. Effective July 1, 1986, the District discontinued general liability insurance coverage for bus operations and all umbrella excess liability insurance coverage.

Commitments — At June 30, 1986, the District had commitments of approximately \$1,241,000 for its share of the Bridge deck replacement project and approximately \$1,080,000 for transit equipment and other projects.

10. FRIENDS OF THE GOLDEN GATE BRIDGE

FGGB intends to solicit public and private sector grants and charitable donations to finance the fiftieth anniversary commemoration. The total cost of the commemoration could approximate \$6,000,000 but will depend largely on the success of fundraising efforts. At June 30, 1986 the District had made interest-bearing working capital loans to FGGB totaling \$425,000 and had authorized maximum borrowings of \$700,000; this amount was fully drawn subsequent to year-end and is due \$500,000 in December 1986 and \$200,000 in May 1987. Fundraising difficulties experienced to date suggest that FGGB may be unable to repay the District's loans. Should this occur, the loans will be reported as interfund transfers from the District to FGGB. The condensed financial position of FGGB at June 30, 1986 is shown below (in thousands):

Assets (principally cash)	\$ 39
Liabilities:	
Accounts payable and accrued liabilities	364
Loans payable to District	425
Total	<u>789</u>
FGGB fund deficit	<u>\$ (750)</u>

11. DISTRICT-DESIGNATED FUNDS

The Board of Directors has designated portions of the District's available funds (excluding funds of FGGB) for replacement of the Bridge deck and transit equipment and for other anticipated expenditures or possible emergencies. An analysis of District-designated funds at June 30, 1986 follows (in thousands):

District net current assets	\$ 14,802
Add (deduct):	
Accrued compensated absences	2,835
Maintenance inventories and supplies	(1,313)
Prepaid expenses	(287)
Total available funds	<u>16,037</u>
Less District-imposed designations for:	
Replacement of Bridge deck	719
Replacement of buses and ferry boats	4,000
Insurance claims	1,842
Museum fund	40
Emergencies	4,775
Total designated funds	<u>11,376</u>
Total nondesignated funds	<u>\$ 4,661</u>

Notes to Financial Statements

12. ALLOCATION OF DISTRICT DIVISION EXPENSE

District Division expense has been allocated to the operating divisions by resolution of the Board of Directors as follows (in thousands):

	<u>1986</u>	<u>1985</u>
Bridge	\$ 2,263	\$ 2,143
Bus	2,771	2,609
Ferry	622	561
Ridesharing	32	
Total	<u>\$ 5,656</u>	<u>\$ 5,345</u>

Officers, Managers and Department Heads



Carmey J. Campion
General Manager



Gene P. Rexrode
Secretary



Robert D. Tough
Auditor-Controller



Daniel E. Mohn
Engineer



David J. Miller
Attorney



Robert A. Warren
Bridge
Division Manager



H. Donald White
Bus Transit
Division Manager



Eric A. Robinson
Ferry Transit
Division Manager

Candice Gonzalez Small Business Officer

Margaret Heaston Personnel Director

Jerome Kuykendall Planning Director

James O'Hare Information Systems Director

William Rumford Chief of Security

Bruce Selby Marketing Director

Lois von der Werth District Services Director

Board of Directors



Quentin L. Kopp
San Francisco
First Vice President



Gary Giacomini
Marin
President



Richard D. Spotswood
Marin
Second Vice President



C. Paul Bettini
Marin



James R. Bronkema
San Francisco



L. E. "Bud" Castner
Sonoma



Jack W. Cavanagh
Sonoma



Manuel Caballos
San Francisco



Carl Daubeneck
Mendocino



Lowell Edington
Napa



James L. Harberson
Sonoma



Stephan C. Leonoudakis
San Francisco



Bernard McClendon
Del Norte



Robert McDonnell
San Francisco



John L. Molinari
San Francisco



Bob Ross
San Francisco



Carol Ruth Silver
San Francisco



Robert Stockwell
Marin



Nancy G. Walker
San Francisco



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

ABOUT THE FRONT COVER

GOLDEN GATE BRIDGE

50TH ANNIVERSARY

On January 5, 1933 work began to bridge the Golden Gate. The Bridge was completed and opened to traffic on May 28, 1937. As part of the commemoration of this historic undertaking, the District prepared an exhibit about the construction of the Bridge. The exhibit includes, among other things, five panels of photographs from the District's archives, with one panel for each calendar year of Bridge construction. Thus, for the cover of this 1986 annual report, the 1936 exhibit panel picturing the progress of construction 50 years ago is reproduced.

PHOTO CREDITS

Front cover:
all: Charles Hiller, District Archives

Page 2:
Daniel E. Mohn, District Staff

Page 3, 4, 5:
Robert E. David, District Staff

Page 20:
Robert E. David, District Staff
Mush Emmons, Sausalito
Michael Fahey, San Rafael

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G O L D E N G A T E B R I D G E
HIGHWAY AND TRANSPORTATION DISTRICT

ANNUAL REPORT 1986-1987
50TH ANNIVERSARY YEAR

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Summary of the Fiscal Year

1987 **1986**
(In Thousands)

GOLDEN GATE BRIDGE

Total Vehicles	42,220	40,489
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GOLDEN GATE TRANSIT & RIDESHARING

Bus Passengers	7,997	8,712
Ferry Passengers	1,439	1,279
Club Bus Riders	303	286
Vanpool Riders	—	59

FINANCIAL SUMMARY

Revenues:	\$ 43,994	\$ 41,542
Operating Revenues	8,929	10,269
Operating Assistance	1,180	1,336
Other	—	—
Total Revenues	<u>54,103</u>	<u>53,147</u>
Expenses:		
Operating	46,410	46,827
Repairs & Maintenance	13,241	11,890
Total Expenses	<u>59,651</u>	<u>58,717</u>
Amortization of Capital Grants	4,084	3,583
Excess of Revenues (Expenses) Transferred to Equity	<u>\$ (1,464)</u>	<u>\$ (1,987)</u>

Officers • Directors • Managers

Officers of the District

Gary Giacomini, President
 Carol Ruth Silver, First Vice President
 Richard D. Spotswood,
 Second Vice President
 Carney J. Campion, General Manager
 Gene P. Rexrode, Secretary
 Robert D. Tough, Auditor-Controller
 David J. Miller, Attorney
 Daniel E. Mohn, Engineer

Operating Managers

Bus Transit, H. Donald White
Ferry Transit, Eric A. Robinson
Bridge, Robert A. Warren

District Board of Directors

CITY & COUNTY OF SAN FRANCISCO
 James R. Bronkema
 Manuel Ceballos
 Stephan C. Leonoudakis
 Robert McDonnell
 John L. Molinari
 Bob Ross
 Carol Ruth Silver
 Nancy G. Walker
 Doris Ward
MARIN COUNTY
 C. Paul Bettini
 Gary Giacomini
 Richard D. Spotswood
 Robert Stockwell

SONOMA COUNTY
 L.E. "Bud" Castner
 Jack W. Cavanagh
 James L. Harberson

NAPA COUNTY
 Lowell Edington

MENDOCINO COUNTY
 Carl Daubeneck

DEL NORTE COUNTY
 John E. Fraser

President's Message

The Dream Plus Fifty

For many decades, it had been man's dream to bridge the Golden Gate. It has now been fifty years since the realization of that dream. Today the Golden Gate Bridge proudly stands as a world-famous monument to Chief Engineer Joseph B. Strauss and the energetic, determined, and courageous people who helped build it.

Since the Golden Gate Bridge opened for traffic on May 28, 1937, it has been a breathtaking showcase of architectural integrity, a shining symbol of human spirit, a memorable tribute to its designers and builders and a constant source of pride to those who operate and maintain it.

The Celebration Day

The excitement and thrill which accompanied the opening of the Bridge in 1937 was repeated and amplified on May 24, 1987, a day that created new lifelong memories.

"Pedestrian Day '37" became "BridgeWalk '87." A day when a great outpouring of people came to pay homage to the Bridge, and be part of a historical event.

The happy crowd included foreign visitors as well as individuals who came to relive their 1937 experience. Perhaps the most indelible image was the goodwill displayed by the throng of people who surged onto the Bridge during the start of the day's celebration.

After the BridgeWalk, a parade of classic antique cars recreated the 1937 Opening Day motorcycle. Following the parade, the Bridge was opened to regular traffic. As a token of appreciation to the thousands of motorists who use the Bridge each day, the Board suspended collection of tolls for the day.

Afternoon and evening festivities continued on Marina Green and at Crissy Field, scene of a star-studded evening concert. The celebration concluded with a stunning fireworks display which featured a brilliant pyrotechnic "waterfall" that showered from the Bridge roadway to the Bay below.

The original team of men who designed and built the Golden Gate Bridge envisioned that the Bridge towers would be illuminated at night. However, financial constraints of the Depression era eliminated the lighting plan during Bridge construction.

The designers' vision was not forgotten. Their dream became reality. At the climax of the evenings fireworks display ceremonies, newly-installed tower lights were switched on bathing the towers in light. This was truly a fitting and spectacular finale to an unforgettable day.

A Golden Anniversary Year

Accolades and Artifacts. The Golden Anniversary inspired tributes, symposia, civic galas, congratulations and warm wishes from historical, cultural, governmental, educational, business and labor organizations worldwide. Artists' and musicians' compositions acclaimed the past history, present joy and future hopes for the Bridge.

A sister bridge program was established between the Golden Gate and Japan's Seto Grand Bridges to aid in building mutually beneficial relations with Pacific Rim nations.

Roundhouse Renovation. The Roundhouse, an integral part of the Toll Plaza environment, was renovated and remodeled into an attractive Visitors' Information and Gift Center. The new facility has helped increase souvenir sales volume from \$96,000 in FY 1984 to over \$566,000 in FY 1987.

Commemorative Gardens. The promontory, north of the new Gift Center was transformed into landscaped gardens to commemorate the eleven men who perished during construction of the Bridge.

Meanwhile, Business as Usual

Besides the 50th Anniversary, the year was filled with the ongoing operation of District business.

Northwestern Pacific Railroad Right-Of-Way Acquisition

The Federal Surface Transportation and Uniform Relocation Assistance Act of 1987 allocates \$19.2 million to cover 80% of the purchase price of the Northwestern Pacific Railroad (NWPR) right-of-way adjacent to Highway 101 in Marin and Sonoma counties as a future public transit corridor.

Consultants' studies of the right-of-way revealed grades and curves of the NWPRR were adequate to permit high speed modes of transportation, highway tunnels provide some grade separation, and many existing structures are suitable for limited adaptation, to transit use.

A contiguous three-mile section south of Belair Boulevard in San Rafael has been acquired. Negotiations continue with the S.P. Railroad for the ten miles from Belair to Highway 37 in Novato.

San Rafael Transportation Center

The San Rafael Transportation Center is the District's primary capital project for the next five years. It will consolidate on-street transfer stops of five transit operators into a common terminal, provide needed passenger amenities and improve accessibility for elderly and handicapped riders.

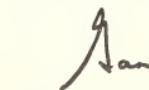
The first of four parcels has been acquired by the District and a tentative agreement has been reached with Caltrans for one of the remaining parcels. The third segment will be included with the NWPR right-of-way purchase. The remaining parcel, owned by Greyhound Lines, Inc. will be purchased with funds from the State, Marin County and San Rafael Redevelopment Agency. State funds in the amount of \$1,805,000 are expected in 1988 for construction of the transit center.

Contra Flow Lanes

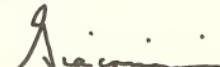
Caltrans' studies of the evening traffic flow over Waldo Grade documented a substantial increase in southbound traffic, and that the special Waldo Grade "contra-flow" lane, used by Golden Gate buses to bypass evening northbound commute traffic, was not providing a significant advantage. Therefore, the contra-flow lane was discontinued in November 1986.

In Appreciation

On behalf of my fellow directors, I wish to thank the public who came to pay tribute to the Golden Gate Bridge and enthusiastically participated in its 50th Anniversary celebration. The District extends its appreciation to the local, national and international media whose coverage ensured that this extraordinary event was seen and heard around the world. We express our gratitude to the more than thirty agencies that helped coordinate the complicated logistics involved in The Day's multitude of events, and to the public-spirited corporations, organizations, and individuals who contributed to the success of the Bridge's Golden Anniversary.



Gary Giacomini
President of the Board



General Manager's Report

Bridge Traffic

Vehicle traffic across the Golden Gate Bridge totaled 42,220,298 for the year, a 4.27% increase over FY 1985/86.

Five times during the year, new highs were set in daily traffic volume. A new all-time record occurred on June 18, 1987 when 132,674 vehicles crossed the Bridge in a twenty-four hour period, nearly 6,000 more than the previous record.

By the end of FY 1986/87, 1,095,861,350 vehicles had traveled across the Bridge since it opened to vehicular traffic on May 28, 1937.

Bridge Deck Replacement Project

The final phase of the Bridge Deck Replacement Program was completed on December 22, 1986, when the final two-inch thick surfacing of epoxy asphalt had been applied to the new orthotropic deck. Six thousand tons of epoxy asphalt was applied in just twenty nights of work.

Replacing the original reinforced concrete deck and its supporting system with a modern lightweight steel plate deck reduced the weight of the Bridge by 11,500 tons.

Bridge Rehabilitation Programs

In 1985, restoration began on both the San Francisco and Marin approach spans to the bridge. The restoration, undertaken by District maintenance workers, is expected to cost \$6 million. The Federal Highway Administration has provided 80% of the \$2.74 million spent to date on this work. The District has requested the FHWA fund 80% of an additional \$3.26 million over the next five years.

The pier and fender system of the San Francisco tower was inspected and found structurally sound; however, recommendations were made to recondition and strengthen the fender.

Larkspur Ferry Patronage Increases

During FY 1986/87, patronage on the Larkspur ferries increased 17% to 846,378 passengers compared to 725,837 the prior fiscal year. The annual number of commuters increased 16%, from 471,153 to 547,046.

Several other passenger records were set. On the morning of October 27, 1986, 1,090 commuters embarked on the Larkspur service, which was the highest number of AM commute passengers since the three-vehicle Larkspur service began. The highest evening patronage figure occurred on January 6, 1987 when 2,093 commuters were carried.

A reduction in operational costs was realized when the vessels' gas turbine engines were replaced with diesel engines. The per-passenger subsidy was reduced from \$3.52 to \$2.78. Operating revenue now covers 47% of the ferry system operating costs, compared to a previous 40%. This is one of the highest transit system farebox recovery ratios in the Bay Area and the state.

During the fiscal year, more than 1.4 million passengers crossed San Francisco Bay on Golden Gate Larkspur and Sausalito Ferry services.

Bus Replacement Program

Twenty-seven of the original fleet of General Motors buses were retired from service and sold. The sale price of \$16,000 each presented 35% of the original purchase price. Golden Gate Transit's enviable reputation for outstanding maintenance ensures a ready market for the District's surplus rolling stock.

In the Spring of 1987, the first of twenty-one new Motor Coach Industries buses arrived at San Rafael headquarters. The MCI buses incorporate a built-in elevator wheelchair lift for the benefit of handicapped riders.

San Rafael Facilities Expansion

A new District Administration building was completed in March. Several District administration departments, formerly housed at various locations, immediately occupied the new two-story structure. The cost to construct the new office building was \$1,680,876, financed from the following sources: 65% Urban Mass Transit Administration; 30% State Transit Assistance, and 5% District monies.

Design and engineering work to remodel the existing bus administration building commenced in March. The interior remodeling is expected to take seven months.

Bids for expansion of the bus maintenance facilities were received in July. Work began in October and is scheduled for completion by the end of 1988. Expansion of the primary maintenance facility will increase maintenance efficiency by adding four repair bays and more storage space for parts.

Bus Services

Beginning in 1982, Golden Gate Transit's bus patronage followed a national downward trend. In July 1986, commute bus service was reduced by 9% to coincide with demand for service and also to reduce operating expenses. During FY 1986/87, seat occupancy averaged 63%, considerably less than the District's standard of 80% occupancy.

In conjunction with Marin County, District staff evaluated local Marin County bus service with a view toward improving service. An agreement was again reached with Marin County, whereby \$600,000 from its general funds, along with its state transit assistance funds, was allocated to the District to help support local Marin County bus service.

Privatization of Local Marin Shuttle Bus Services

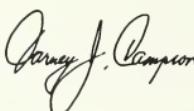
Golden Gate Transit has been working with various private operators to provide bus services to various areas within Marin County. In early 1987, shuttle bus service operated by Marin Airporter began carrying Ross Valley residents to the Golden Gate Transit hub in San Anselmo.

Ridesharing Activities

To provide more cost effective ridesharing assistance to North Bay commuters the District contracted with Rides for Bay Area Commuters, Inc. for ridesharing services during the last half of the year.

District Employees

This hallmark year has been one of celebrating the past. I wish to express my gratitude to each and every employee, whose support and hard work helped bring great credit to the Golden Gate Bridge District. We can take pride in the knowledge that, while the eyes of the world were focused on our great Bridge, we continued to carry out our prime mission of serving the daily needs of the public. We can now look forward to future years of providing continued high quality service to San Francisco and the Golden Gate Corridor.



Carney J. Campion
General Manager

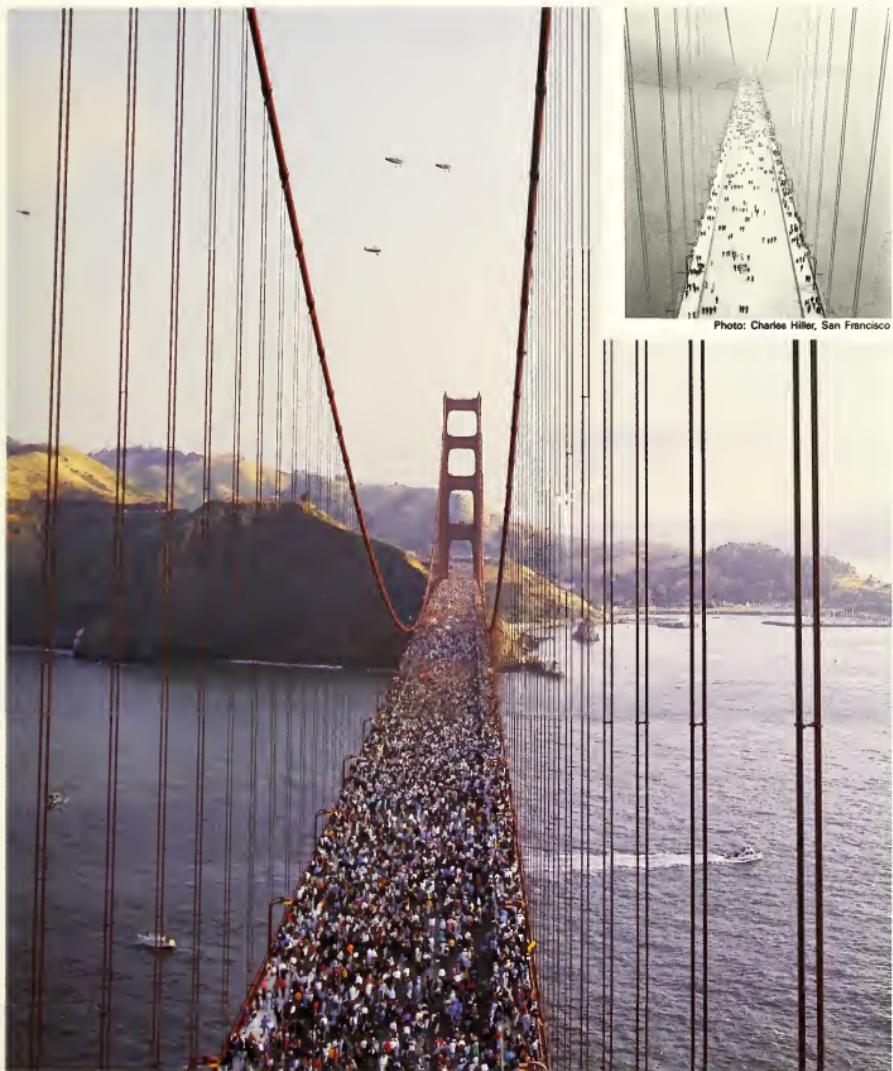


Photo: Robert E. David, Golden Gate Bridge District Staff

Bridgewalk 1987. On Sunday, May 24, 1987, hundreds of thousands of people surged onto the Bridge as a 50th Anniversary reenactment of pedestrian day of 1937 (inset). The Bridgewalk began about 5:30 am, and the Bridge was cleared of pedestrians and ready for a ceremonial motorcade by 11:00 am.



50th Anniversary Fireworks and Light Show. On the evening of May 24, 1987 the culmination of the 50th Anniversary celebration took place. The night sky was lighted by fireworks launched from barges anchored off the San Francisco shore. Then, the Bridge itself seemed to be ablaze as a firefall cascaded from the entire extent



Photo: Steve Childress, Steve's Camera, Fairfield, Ca.

of the main span, and the sky became crisscrossed by search lights located on barges on the bay and various shoreside sites. When the smoke cleared, the Bridge was bathed in the glow of its new flood lights. More than a million people lined the shores of the bay to experience this spectacular event.



Photo: Charles Hiller, San Francisco

Motorcade 1937. The Bridge opened to vehicles on May 28, 1937. Here the official motorcade heads across the Bridge towards San Francisco. The 1937 Cadillac on the far right carries Mayor Angelo Rossi of San Francisco.



Photo: Robert E. David, Golden Gate Bridge District Staff

Motorcade 1987. As a 50th Anniversary commemoration of the original motorcade, more than 100 vintage (1937 or older) vehicles cross the Bridge on May 24, 1987. The 1937 Cadillac on the far right (the same car as in the 1937 photo above) carries San Francisco Mayor Dianne Feinstein as it did her counterpart 50 years ago.

Auditors' Opinion

The Board of Directors of the
Golden Gate Bridge, Highway and
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District (the District) as of June 30, 1987 and 1986 and the related statements of revenues and expenses, fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1987 and 1986 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by Division for the years ended June 30, 1987 and 1986 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte Haskins + Sells

San Francisco, California
September 18, 1987
(October 23, 1987
as to Note 11)

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Statements of Financial Position
June 30, 1987 and 1986 (In Thousands)

	<u>1987</u>	<u>1986</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 460	\$ 502
Short-term investments	19,052	15,263
Capital and operating grants receivable	1,726	5,034
Accounts receivable	625	833
Maintenance inventories and supplies	1,609	1,313
Prepaid expenses	319	287
Total current assets	<u>23,791</u>	<u>23,232</u>
DEFERRED COMPENSATION PLAN ASSETS	<u>3,910</u>	<u>3,029</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	6,163	6,163
Bridge, related buildings and equipment	126,406	115,892
Accumulated depreciation	(27,123)	(24,869)
Net	<u>99,283</u>	<u>91,023</u>
Transit property and equipment:		
Bus	38,116	35,646
Ferry	44,352	43,176
Ridesharing		201
Accumulated depreciation	(34,948)	(31,427)
Net	<u>47,520</u>	<u>47,596</u>
Construction in progress	<u>6,994</u>	<u>10,969</u>
Property, plant, and equipment - net	<u>159,960</u>	<u>155,751</u>
TOTAL ASSETS	<u><u>\$ 187,661</u></u>	<u><u>\$ 182,012</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	\$ 3,312	\$ 1,911
Accrued liabilities	1,730	1,836
Accrued compensated absences	2,922	2,835
Self-insurance liabilities	2,356	2,155
Loan payable to bank	530	
Contract retentions	183	446
Total current liabilities	<u>11,033</u>	<u>9,183</u>
NONCURRENT LIABILITIES:		
Contract retentions	216	
Accrued compensated absences	557	540
Self-insurance liabilities	3,457	2,529
Deferred compensation plan obligations	3,910	3,029
Total noncurrent liabilities	<u>8,140</u>	<u>6,098</u>
FUND EQUITY	<u>168,488</u>	<u>166,731</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 187,661</u></u>	<u><u>\$ 182,012</u></u>

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**Statements of Revenues and Expenses
For the Years Ended June 30, 1987 and 1986 (In Thousands)**

	<u>1987</u>	<u>1986</u>
REVENUES:		
Operating revenues:		
Bridge	\$ 26,841	\$ 25,332
Bus:		
Bus	11,755	12,558
Club Bus	650	630
Ferry	3,529	2,977
Ridesharing	20	20
Friends of the Golden Gate Bridge	1,219	25
Total operating revenues	<u>43,994</u>	<u>41,542</u>
Operating assistance:		
State and local	7,094	8,263
Federal	1,835	2,006
Total operating assistance	<u>8,929</u>	<u>10,269</u>
Investment income	1,180	1,336
Total revenues	<u>54,103</u>	<u>53,147</u>
EXPENSES:		
Operating expenses:		
Bridge	10,866	10,612
Bus:		
Bus	25,290	26,740
Club Bus	1,022	992
Ferry	7,658	7,491
Ridesharing	217	217
Friends of the Golden Gate Bridge	1,574	775
Total operating expenses	<u>46,410</u>	<u>46,827</u>
Repairs and maintenance:		
Bridge	6,091	5,980
Bus	5,816	4,609
Ferry	1,334	1,301
Total repairs and maintenance	<u>13,241</u>	<u>11,890</u>
Total expenses	<u>59,651</u>	<u>58,717</u>
EXCESS OF EXPENSES	(5,548)	(5,570)
AMORTIZATION OF CAPITAL GRANTS	4,084	3,583
EXCESS OF EXPENSES TRANSFERRED TO EQUITY	<u>\$ (1,464)</u>	<u>\$ (1,987)</u>

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Statements of Fund Equity
For the Years Ended June 30, 1987 and 1986 (In Thousands)

	<u>DISTRICT EQUITY</u>	<u>CAPITAL GRANT EQUITY</u>	<u>FRIENDS OF THE GOLDEN GATE BRIDGE</u>	<u>TOTAL FUND EQUITY</u>
BALANCE, JULY 1, 1985	\$ 73,220	\$ 91,400		\$ 164,620
EXCESS OF EXPENSES TRANSFERRED TO EQUITY	(1,237)		\$ (750)	(1,987)
AMORTIZATION OF CAPITAL GRANTS		(3,583)		(3,583)
CAPITAL GRANTS:				
Bridge		4,327		4,327
Bus		1,953		1,953
Ferry	—	1,401		1,401
BALANCE, JUNE 30, 1986	71,983	95,498	(750)	166,731
EXCESS OF EXPENSES TRANSFERRED TO EQUITY	(1,109)		(355)	(1,464)
AMORTIZATION OF CAPITAL GRANTS		(4,084)		(4,084)
DONATION TO DISTRICT	520			520
CAPITAL GRANTS:				
Bridge		4,663		4,663
Bus		1,763		1,763
Ferry	—	359		359
BALANCE, JUNE 30, 1987	<u>\$ 71,394</u>	<u>\$ 98,199</u>	<u>\$ (1,105)</u>	<u>\$ 168,488</u>

See notes to financial statements.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**Statements of Changes in Financial Position
For the Years Ended June 30, 1987 and 1986 (In Thousands)**

	<u>1987</u>	<u>1986</u>
CASH PROVIDED (USED) BY OPERATIONS:		
Excess of expenses	\$ (5,548)	\$ (5,570)
Items not using cash:		
Depreciation and amortization	5,988	5,414
Noncurrent liabilities - increase	2,042	660
Effect of working capital items:		
Capital and operating grants receivable	3,308	(1,063)
Other current assets	(120)	(42)
Trade accounts payable	1,401	377
Self-insurance liabilities	201	373
Other current liabilities	248	92
Cash provided by operations	<u>7,520</u>	<u>241</u>
CASH PROVIDED BY DONATIONS	<u>520</u>	<u>—</u>
CASH PROVIDED BY CAPITAL GRANTS:		
Bridge	4,663	4,327
Bus	1,763	1,953
Ferry	359	1,401
Cash provided by capital grants	<u>6,785</u>	<u>7,681</u>
CASH USED FOR INVESTMENT ACTIVITIES:		
Property additions:		
Bridge	(8,023)	(6,688)
Bus	(1,870)	(2,248)
Ferry	(701)	(1,227)
Ridesharing		
Property disposals	397	213
Deferred compensation plan assets - increase	<u>(881)</u>	<u>(767)</u>
Cash used for investment activities	<u>(11,078)</u>	<u>(10,717)</u>
CASH AND SHORT-TERM INVESTMENTS:		
Increase (decrease) for the year	3,747	(2,795)
Balance, beginning of year	15,765	18,560
Balance, end of year	<u>\$ 19,512</u>	<u>\$ 15,765</u>

See notes to financial statements.

Notes to Financial Statements

1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District (the District) is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

Friends of the Golden Gate Bridge (FGGB) was incorporated in 1985 as a nonprofit public benefit corporation to establish a transportation museum related to the Golden Gate Bridge and nearby transportation facilities and to provide for historical recognition of the Bridge, including sponsorship of the May 1987 fiftieth anniversary commemoration of the opening of the Golden Gate Bridge. The District is the sole member of FGGB and has control over its activities through appointment of a majority of FGGB's Board of Trustees and approval of FGGB's major policies, plans, programs, budgets, and expenditures; however, FGGB is a separate legal entity whose obligations (except as described in Note 11) are not obligations of the District.

2. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The accompanying financial statements include the financial activities of the District and FGGB.

Short-term investments are stated at cost which approximates market value.

Deferred compensation plan assets are stated at market value.

Property, plant and equipment are recorded at total cost; related capital grants are recorded as capital grant equity. Depreciation based on the total cost of property acquired with capital grants is included in expense; a credit reflecting amortization of the related capital grants is included in the excess of revenues over expenses transferred to equity. Major additions and replacements are capitalized. Maintenance, repairs, and additions of a minor nature are expensed as incurred.

The costs of acquisition and construction of equipment and facilities are recorded in construction in progress until such assets are completed and placed in service, at which time depreciation and amortization of capital grants are recorded.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

- Bridge structural components — 100 years
- Bridge buildings, toll plaza structure, deck and approach roadways and sidewalks — 50 years
- Bridge roadway lighting, toll collection, and other equipment — 3 to 20 years
- Buses — 12 years
- Ferry boats — 40 years
- Other transit property — 5 to 40 years

Operating assistance grants are recorded as revenue upon approval by the grantor agencies.

Donations — FGGB operating revenues are derived from fundraising activities and monetary donations. FGGB has also received donations of services. As is customary practice, no amounts have been recorded for donated services because no objective basis is available to measure the value of such services. Monetary donations by FGGB to the District are recorded as expenses by FGGB and donated capital by the District.

Pension Plans — The District participates in several pension plans covering all employees. Certain union members are covered under single employer or multiemployer plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. Pension contributions are based on rates established by negotiated labor contracts or by administrators of the plans. The District's policy is to fund pension costs as accrued.

Notes to Financial Statements

3. CASH AND INVESTMENTS

The District maintains cash and investments that are available for general use (subject to prior Board designations, see Note 12).

Cash — At June 30, 1987, the carrying amount of the District's cash balances was \$460,000. The bank balances were \$692,000, all of which were either covered by federal depository insurance or collateralized by securities owned by the bank and pledged with an agent as security for public deposits.

Investments — Statutes authorized the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, purchase agreements, reverse repurchase agreements, and the state treasurer's investment pool.

The District's investments are categorized below (in thousands) to give an indication of the risk assumed by the District at June 30, 1987. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name. (Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name; the District had no Category 3 investments at June 30, 1987.)

	Category	Carrying Amount	Market Value
	1	2	
Repurchase agreements		\$ 500	\$ 500
Corporate commercial paper		2,484	2,484
Bankers' acceptances		3,945	3,945
Certificates of deposit and time deposits	\$ 5,320	1,803	7,123
	\$ 5,320	\$ 8,732	14,052
Investment in state treasurer's investment pool			5,000
Total investments			\$ 19,052
			\$ 19,052

4. BRIDGE DECK REPLACEMENT GRANT

The District has a grant contract with the State of California Department of Transportation (Caltrans) through which it receives Federal Highway Assistance funding for approximately 80% of the cost to replace the Bridge roadway and sidewalk and make certain structural and other improvements. The total cost of this project is currently estimated to be \$76.5 million. This grant, less related amortization, is included in capital grant equity and is summarized at June 30, 1987 as follows (in thousands):

	Project Costs Incurred	Grants Received
Fiscal 1987	\$ 5,802	\$ 4,663
Prior years	68,209	53,720
Subtotal	74,011	58,383
Less grants amortized		(2,054)
Total	\$ 74,011	\$ 56,329

Caltrans pays project costs and is reimbursed by the District for its share. The District has deposited \$1,800,000 in an escrow account as security for this arrangement.

Notes to Financial Statements

5. TRANSIT CAPITAL GRANTS

The District has received grants from the Urban Mass Transportation Administration which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The District also receives grants under State Transit Assistance programs primarily for the acquisition of buses and related facilities. These grants, less related amortization, are included in capital grant equity and are summarized at June 30, 1987 as follows (in thousands):

	Bus Division	Ferry Division
Total approved project cost	\$ 69,597	\$ 46,891
Total approved capital grants	\$ 60,994	\$ 36,054
Less grants received or receivable	<u>(38,583)</u>	<u>(33,436)</u>
Remaining grants available	<u>\$ 22,411</u>	<u>\$ 2,618</u>
Grants credited to capital grant equity:		
Total, July 1, 1986	\$ 36,181	\$ 33,137
Additions in 1987:		
Urban Mass Transportation Administration	1,403	291
State Transit Assistance	360	68
Total, June 30, 1987	<u>37,944</u>	<u>33,496</u>
Less amounts amortized	<u>(19,167)</u>	<u>(10,403)</u>
Net grants in capital grant equity	<u>\$ 18,777</u>	<u>\$ 23,093</u>

Expenditures of transit capital grants (see above) and bridge deck grant funds (see Note 4) are subject to final review by the grantor agencies. At June 30, 1987 expenditures of approximately \$123,038,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$6,785,000) will be approved in full.

6. STATE AND LOCAL OPERATING ASSISTANCE

The District receives operating assistance from various state and local sources. Transportation Development Act funds are received from Sonoma and Marin counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission (MTC). State Transit Assistance funds are received directly from MTC based on the ratio of the District's transit operation revenue and local support to the revenue and local support of all state transit agencies. The District also receives Marin County Transit local funds and minor amounts of assistance from other state agencies. Operating assistance is summarized as follows for the years ended June 30, 1987 and 1986 (in thousands):

	1987	1986
Transportation Development Act	\$ 6,355	\$ 6,944
State Transit Assistance	600	542
Marin County Transit local funds	139	600
Other	<u>139</u>	<u>177</u>
Total	<u>\$ 7,094</u>	<u>\$ 8,263</u>

7. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,835,000 and \$2,006,000 of Federal operating assistance for the years ended June 30, 1987 and 1986, respectively. These funds are distributed to the District by the Urban Mass Transportation Administration after approval by MTC. The 1987 funds are subject to final review and the District anticipates that they will be approved in full.

Notes to Financial Statements

8. PENSION PLANS

Pension expense for the years ended June 30, 1987 and 1986 totaled \$4,264,000 and \$4,222,000.

Permanent District employees (except bus and ferry operators and deckhands) participate in the State of California's Public Employees' Retirement System (PERS), an agent multiple-employer defined benefit retirement plan administered by a Board of Administration composed of individuals who are (1) elected by PERS membership, (2) appointed by elected State of California officials, or (3) specified elected State of California officials. PERS provides retirement, disability, and death benefits based on employees' age, years of service, and average of three highest years compensation. Employees vest after five years of service and may receive retirement benefits commencing at age 50. These benefit provisions and all other requirements are established by state statute. In lieu of salary increases in certain prior years, the District agreed to pay the 7% employee contribution for administrative employees and a majority of union employees covered by PERS.

The District's bus operators participate in the Golden Gate Transit — Amalgamated Retirement Plan (Amalgamated), a defined benefit pension plan funded by the District and administered by a Board of Trustees consisting of District and union representatives. This plan provides retirement, disability, and death benefits based on employees' age, years of service, and average of three highest years compensation. Employees may receive normal retirement benefits with 20 years of service at age 65. These benefit provisions and all other requirements are established through collective bargaining.

The actuarial present value of total projected benefits for each plan is determined by the plan's actuary and is that amount which results from applying actuarial assumptions to adjust projected benefits (to be earned in the future as well as those already accrued) to reflect the time value of money and the probability of payment between the valuation date and expected date of payment. Selected financial and actuarial data concerning these plans are provided below (dollars in thousands):

	<u>PERS</u>	<u>Amalgamated</u>
Actuarial present value of total projected benefits	\$61,509	\$47,259
Net assets available for benefits	\$35,253	\$22,660
Unfunded actuarial liability	\$ 4,414	\$ 4,445
Estimated funding period	13 years	18 years
Covered payroll	\$17,209	\$ 9,755
Fiscal 1987 contributions:		
Normal cost	\$ 2,259	\$ 1,264
Percent of payroll	13.13%	12.96%
Amortization of unfunded actuarial liability	\$ 548	\$ 215
Percent of payroll	3.18%	2.21%
District contribution	\$ 2,616	\$ 1,479
Percent of payroll	15.20%	15.16%
Employee contribution	\$ 191	None
Percent of payroll	1.11%	None
Actuarial cost method - entry age normal	Yes	Yes
Interest rate assumption	8.5%	8.0%
Salary progression assumption	7.0%	7.0%
Number of participants:		
Active employees	528	316
Retired or inactive	270	87
Date of actuarial valuation	6/30/86	12/31/85

Comparable information is not available from other union administered multiemployer plans, principally covering ferry operators and deckhands, in which the District is a participant. Fiscal 1987 pension expense was \$169,000 for these plans.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**Supplemental Schedules of Revenues and Expenses by Division
For the Years Ended June 30, 1987 and 1986 (In Thousands)**

	TOTAL		BRIDGE DIVISION	
	1987	1986	1987	1986
REVENUES:				
Operating revenues	\$ 43,994	\$ 41,542	\$ 26,841	\$ 25,332
Operating assistance:				
State and local	7,094	8,263	139	132
Federal	1,835	2,006		
Total operating assistance	8,929	10,269	139	132
Investment income	1,180	1,336	1,180	1,336
Total revenues	54,103	53,147	28,160	26,800
EXPENSES:				
Operating expenses	46,410	46,827	10,866	10,612
Repairs and maintenance	13,241	11,890	6,091	5,980
Total expenses	59,651	58,717	16,957	16,592
EXCESS OF REVENUES (EXPENSES)	(5,548)	(5,570)	11,203	10,208
AMORTIZATION OF CAPITAL GRANTS	4,084	3,583	1,084	950
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO EQUITY	\$ (1,464)	\$ (1,987)	\$ 12,287	\$ 11,158

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

BUS DIVISION				FERRY DIVISION		RIDESHARING DIVISION		FRIENDS OF THE GOLDEN GATE BRIDGE	
BUS		CLUB BUS		1987		1986		1987	
1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
\$ 11,755	\$ 12,558	\$ 650	\$ 630	\$ 3,529	\$ 2,977	\$ 20		\$ 1,219	\$ 25
5,850	6,780			1,105	1,306		45		
1,464	1,629			371	377				
7,314	8,409			1,476	1,683		45		
19,069	20,967	650	630	5,005	4,660		65	1,219	25
25,290	26,740	1,022	992	7,658	7,491		217	1,574	775
5,816	4,609			1,334	1,301				
31,106	31,349	1,022	992	8,992	8,792		217	1,574	775
(12,037)	(10,382)	(372)	(362)	(3,987)	(4,132)		(152)	(355)	(750)
2,011	1,630			989	1,000		3		
\$ (10,026)	\$ (8,752)	\$ (372)	\$ (362)	\$ (2,998)	\$ (3,132)	\$ —	\$ (149)	\$ (355)	\$ (750)

APPENDIX 92 171201 Attenuation

Officers, Managers and Department Heads



Carney J. Campion
General Manager



Gene P. Rexrode
Secretary



Robert D. Tough
Auditor-Controller



Daniel E. Mohn
Engineer



David J. Miller
Attorney



Robert A. Warren
Bridge
Division Manager



H. Donald White
Bus Transit
Division Manager



Eric A. Robinson
Ferry Transit
Division Manager

Candice Gonzalez Small Business Officer

Margarat Haeston Personnel Director

Jerome Kuykendall Planning Director

James O'Hare Information Systems Director

William Rumford Chief of Security

Bruce Salby Marketing Director

Loal von der Werth District Services Director

Board of Directors



Carol Ruth Silver
San Francisco
First Vice President



Gary Giacomini
Marin
President



Richard D. Spotswood
Marin
Second Vice President



C. Paul Bettini
Marin



James R. Bronkema
San Francisco



L. E. "Bud" Castner
Sonoma



Jack W. Cavanagh
Sonoma



Manuel Ceballos
San Francisco



Carl Daubeneck
Mendocino



Lowell Edington
Napa



John E. Fraser
Del Norte



James L. Harberson
Sonoma



Stephan C. Leonoudakis
San Francisco



Robert McDonnell
San Francisco



John L. Molinari
San Francisco



Bob Ross
San Francisco



Robert Stockwell
Marin



Nancy G. Walker
San Francisco



Doris Ward
San Francisco



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

BOX 9000, SAN FRANCISCO, CALIFORNIA 94129, TELEPHONE 415-921-5858

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GOLDEN GATE BRIDGE, HIGHWAY
AND TRANSPORTATION DISTRICT

FRONT COVER PHOTO

50th Anniversary Tower Lighting. When the Golden Gate Bridge was originally designed, the idea of permanent illumination of the Bridge towers was an included feature. However, the lighting project was not realized at the time of the completion of the Bridge in 1937. With the celebration of the 50th Anniversary of the Bridge in 1987, the lighting project was resurrected, and its implementation was made possible by a generous grant from the Pacific Gas and Electric Company (PG&E) of San Francisco.

Photo: Ted Tsui, PG&E Photographer, San Francisco

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1987



1988

ANNUAL REPORT

DOCUMENTS DEPT.

107-3-1989

SAFETY

MANUAL



GOLDEN GATE BRIDGE
HIGHWAY AND TRANSPORTATION DISTRICT

District Officers

President
Carol Ruth Silver
First Vice President
Robert B. Stockwell
Second Vice President
James R. Bronkema
General Manager
Carney J. Campion
Secretary
Gene P. Rexrode
Auditor-Controller
John J. Quigley
Attorney
David J. Miller
Chief Engineer
Daniel E. Mohn

Operating Managers

Bridge Division
Robert A. Warren
Bus Transit Division
H. Donald White
Ferry Transit Division
Eric A. Robinson

District Board of Directors

City and County of San Francisco	Sonoma County
James R. Bronkema	L. E. "Bud" Castner
Stephen C. Leonoudakis	Jack W. Cavanagh
Robert McDonnell	
John L. Molinari	
John J. Moylan	
Bob Ross	
Carol Ruth Silver	
Nancy G. Walker	
Doris M. Ward	
Marin County	Mendocino
C. Paul Bettini	Carl Daubeneck
Gary Giacomini	
Richard D. Spotswood	
Robert B. Stockwell	
	Del Norte County
	John E. Fraser

SUMMARY OF THE FISCAL YEAR

THE
GOLDEN GATE BRIDGE
HIGHWAY AND TRANSPORTATION DISTRICT

herein presents its Annual Report for Fiscal Year 1987-88. A statistical overview of the District's operations is shown in the table below. Subsequent pages contain the President's Message, the General Manager's Report, and detailed financial statements.

	1988	1987
	(In Thousands)	
GOLDEN GATE BRIDGE		
Total Vehicle Crossings	43,458	42,220
GOLDEN GATE TRANSIT		
Bus Passengers	7,332	7,997
Ferry Passengers	1,452	1,439
Club Bus Riders	302	303
FINANCIAL SUMMARY		
Revenues:		
Operating Revenues	\$ 43,526	\$ 43,994
Operating Assistance	9,203	8,929
Other	1,411	1,180
Total Revenues	<u>54,140</u>	<u>54,103</u>
Expenses:		
Operating	46,325	46,410
Repairs & Maintenance	<u>12,952</u>	<u>13,241</u>
Total Expenses	<u>59,277</u>	<u>59,651</u>
Amortization of Capital Grants	4,448	4,084
Excess of Expenses Transferred to Equity	\$ (689)	\$ (1,464)

P R E S I D E N T ' S M E S S A G E

The Challenge of the Golden Gate Bridge

Throughout the 60 years of its existence, the Golden Gate Bridge District has faced and solved seemingly impossible problems. First and foremost, the Golden Gate Bridge was built, despite lack of faith by many, because of the vision of individuals—such as Joseph Strauss and A.P. Giannini—and of the elected representatives of the six California counties represented on the Board of Directors. Those counties are San Francisco, Marin, Sonoma, Napa, Mendocino, and Del Norte.

The Bridge, The Budget and Public Transit

Then, in 1969, with the passage of AB 584 by the California legislature, the Bridge District was presented a new challenge: to create a system of buses and ferryboats to offset increased traffic in the Golden Gate Corridor and by this means to decrease congestion on the Golden Gate Bridge.

While it has contributed \$130 million since 1970 toward the cost of operating Golden Gate Transit, the Golden Gate Bridge District has remained strongly committed to its primary goal of maintaining the Golden Gate Bridge. In recent years, major projects have included replacing the entire Bridge deck and all of the suspender cables. Continuing this commitment to maintenance, many important smaller projects are contained in the District's Five-Year Plan and include installing seismic monitoring instrumentation on the Bridge and strengthening the tower fenders to protect the structural integrity of the Bridge in case of a ship collision.

The greatest problem addressed by the Golden Gate Bridge District in the past year was a long-projected budget shortfall for Fiscal Year 1988-89 of about \$5.8 million. Unlike other Bay Area public transit systems, the Golden Gate Bridge District has no dedicated revenues from sales or property taxes. It must primarily rely on surplus Bridge tolls and on farebox revenue to operate its buses and ferryboats.

The District must have and does have a balanced budget. But as always this could only be achieved by increasing revenues, decreasing expenses, or both.

The Board of Directors of the Golden Gate Bridge District thoroughly and realistically evaluated all options and explored all avenues of cost savings. Yet, the District needed also to continue our commitment to the needs of the North Bay commuter for reduced congestion on the Golden Gate Bridge, an objective which is achievable only by continuing our commitment to public transit. Thus we have moved to raise tolls from the present one dollar 5 days per week and two dollars 2 days per week (an average of \$1.25 per day), to a regular discount toll of \$1.25 per day for a six-month period, starting in January 1989, and \$1.67 thereafter. The toll for a casual crossing of the Bridge (without pre-purchased discount tickets) will at that time be two dollars.

The complex problems involved in funding our transit system require us to work together regionally and to listen to the needs of each segment of the public, which the District Board of Directors did through numerous public hearings throughout our service area. Virtually all the public officials in the region and many members of the public urged the District not to further reduce transit service (as was done in 1987), and also not to increase transit fares as a means of balancing the Budget. Instead, they encouraged the District to reduce costs where possible without compromising transit quality, to reduce fares if possible, and to increase revenues by increasing Bridge tolls.

We look to new and exciting challenges facing us as the Golden Gate Bridge continues into its second half-century of service, including the possibility of a transit rail link across the Golden Gate Bridge, finding solutions to the tragedy of head-on collisions on the Bridge, automated electronic toll collectors, and providing for increased water transit in the Corridor.

Bridge Median Barrier

My greatest regret as I complete this year is that I have been unable so far to persuade a majority of the Golden Gate Bridge Board of Directors that the time has come for installing a median barrier on the Bridge—a moveable, reinforced concrete barrier using existing and established technology, which I have urged we try even if only on an experimental basis. I shall continue to work toward this objective.

Changes in Governance

Despite an unrelenting and unjustified barrage of bad press, I believe that the current staff and Board of Directors of the Golden Gate Bridge District have demonstrated high quality and innovative leadership, and that the current structure of the District should be maintained.

The District remains committed to serve the people of the Golden Gate Corridor, and it has done so with a safe, useful Bridge, coupled with an award-winning, effective and efficient transit service. To those who seek to "fix" the Bridge District by changing its structure, I say "Ain't broken; don't fix it."

It is noteworthy to mention other achievements of the Golden Gate Bridge, Highway and Transportation District during this year:

District Leads on Accessible Transit

The Golden Gate Bridge District reached a milestone this year in its continuing leadership role in making public transit fully available to persons with disabilities. The Board of Directors adopted a resolution urging the American Public Transit Association to establish a national policy that all federally-funded transit equipment must be fully accessible, throughout the Nation, just as the Golden Gate Bridge District has worked to make its own system fully accessible.

Members of the disabled community lauded the District's policy, calling it the most progressive of any public transit agency in the United States.

P R E S I D E N T ' S M E S S A G E

Sister Bridge Affiliation

In the spirit of Pacific Rim cooperation and friendship, the Golden Gate Bridge District and Japanese authorities signed a Sister Bridge Affiliation to honor the completion of Japan's Seto Ohashi "Grand Bridge." A delegation of District and Bay Area officials participated—at their own expense—in the opening ceremonies for the Seto Ohashi Bridge in April of 1988. The span over the Japanese Inland Sea is 8 miles long and cost \$8.5 billion to complete after 20 years of planning and design, and 9 years of construction. The toll is the equivalent of \$45 U.S.—one way—for automobiles, while most people cross on the railroad trains which zip back and forth on the lower deck of the span.

Northwestern Pacific Railroad Right-of-Way Aquisition

The existing Northwestern Pacific Railroad (NWP RR) right-of-way was identified years ago in the District's long-range planning efforts and in the District's 1970 Report to the Legislature as a critical element in developing a cure for the increasing congestion on Highway 101 in the Golden Gate Corridor.

The District is the lead agency in efforts to preserve the right-of-way for public transit and is in the process of purchasing a 10.5-mile section of the abandoned NWP RR right-of-way between San Rafael and Novato. A 2.5-mile section of right-of-way between Corte Madera and Bellarm Boulevard in San Rafael was acquired earlier. The U.S. Congress committed \$19.2 million to cover 80 percent of the total acquisition cost of the right-of-way from San Rafael to Healdsburg north of Santa Rosa in Sonoma County; the balance of funding is to be provided from the State Transportation Assistance account.

San Rafael Transportation Center

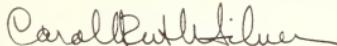
Additional acquisition of the NWP RR right-of-way will provide one of the four parcels needed for the site of the future terminal to serve passengers on transbay and local buses, airpoters, Greyhound and other transit operations in downtown San Rafael. The District has acquired two of the other parcels and is working with the San Rafael Redevelopment Agency, Marin County and California Department of Transportation to obtain the remaining parcel, now owned by Greyhound.

About \$1.8 million in State funds is expected in FY 1988-89 to help build the Transportation Center. The San Rafael terminal is the largest Bus Division project in the District's Five-Year capital improvement plan which was approved this past March.

Conclusion

Finally, it has been my pleasure to work with the dedicated employees of this District, men and women who share uncommon commitment and exceptional skills. On behalf of the Board of Directors, I wish to thank the District staff for its commitment to excellence in its service to the public.

On my own behalf to the members of the Golden Gate Bridge District Board of Directors, I would note that this year as your President has been very interesting and very challenging. I am exceedingly grateful to each of you for giving me the privilege and honor of leading this District.



Carol Ruth Silver
President of the Board

GENERAL MANAGER'S REPORT

The Year in Review

During the past twelve months, the District Board of Directors and staff have addressed a number of problems that will significantly affect the future of the District and the public it serves. A year-long program involving a coordinated series of steps and actions was undertaken to solve these problems.

As had been anticipated, the District found it necessary to dig deep into its financial reserves this past year to meet operating costs. The Five-Year Transit Development Plan adopted in July 1987 indicated that operating costs might exceed revenues by as much as \$7.9 million during Fiscal Year (FY) 1988-89. Even after adjustments to the FY 1987-88 Budget postponing certain Bridge projects and transit service improvements, the preliminary Operating and Capital Budget for FY 1988-89 presented to the Finance-Auditing Committee in December 1987, still estimated there would be a year ending shortfall of approximately \$5.8 million.

Consequently, the Board instructed staff to study a broad range of possible remedies, including major transit service cuts, fare increases, further delays of capital improvements, toll increases and tightening of the District's organization and operations.

It is noteworthy that this District does not possess the authority to levy sales or property taxes to help support its operations as do other transit agencies in the Bay Area. Instead, this District must rely on its bus and ferry fare revenues and, to the extent that they may be available, tolls collected on the Bridge.

Directors and staff explained the District's Budget problems to the official governing bodies of the counties and cities representing the District. The Boards of Supervisors, City Councils and other groups responded, almost unanimously, that the public would be served best by a program of continuing and expanding transit services, including reduced bus and ferry transit fares. The public bodies further advised the District to increase Bridge tolls, if necessary, to assure the desired transit improvements and the continued safe operation of the Bridge.

In May and June, the Board instructed staff to study a range of alternative toll increases with discount toll tickets which would provide for transit service improvements and transit fare discounts as had been recommended to the District.

Accordingly, during the final months of FY 1987-88, the District prepared for a series of public hearings in San Francisco, Marin and Sonoma Counties on alternative plans designed to overcome the projected deficit of the FY 1988-89 Budget.

Bridge Traffic Increasing

A new, all-time traffic record was set on August 7, 1987, when 133,206 vehicles crossed the Golden Gate Bridge during a 24-hour period. During FY 1987-88, 43,457,470 vehicles crossed the Bridge—a 2.93 percent increase over the previous year.

By June 30, 1988, a total of 1,142,318,820 vehicles had crossed the Bridge since its opening in 1937.

It is projected that future major building developments in Marin and Sonoma Counties will cause further increases in traffic in the Golden Gate Corridor and on the Bridge.

Bus Transit Ridership Declines

Total bus patronage for this year was 7,332,141, a 0.9 percent decrease from the previous year's total of 7,997,335 passengers. During the year, the Bus Transit Division continued to make adjustments in service to maintain an efficient ratio of seats per passengers and to control costs. Transbay service was reduced by 17 percent as compared to the previous year.

Bus farebox recovery for the year was 34 percent, down from 38 percent for the previous year, but still the best of any bus transit system in the Bay Area. The subsidy per passenger was \$2.58, compared to \$2.29 last year.

District buses have carried a total of 116 million passengers since inception of service in 1971, which equates to a reduction of about 90 million autos on Highway 101 and the streets of San Francisco.

Ferry Transit Ridership Growing

Overall, passengers riding the Larkspur ferries were up 5 percent this year, and commuter ridership was up a remarkable 12 percent. A total of 885,886 passengers travelled by the Larkspur ferries.

Sausalito ferry ridership decreased by 4 percent, totaling 566,196 passengers for the year.

The average daily ridership for the Sausalito and Larkspur ferries was 4,011 passengers. A new record was set September 17, 1987 when Pope John Paul II visited San Francisco and a total of 9,746 passengers were carried across the Bay by ferry.

The farebox recovery ratio for the ferry system was 46 percent, down only slightly from 47 percent of the previous year. This ratio was well above the national average for public transit farebox recovery of 37.2 percent. The subsidy per passenger this year was \$3.01, compared to \$2.78 last year.

Bridge Safety Improvement

During the year, the California Highway Patrol (CHP) conducted radar surveys on the Golden Gate Bridge which showed that 85 percent of the motorists crossing the Bridge were violating the established 45 mile-per-hour speed limit, and travelling at speeds as high as 55 to 59 miles-per-hour. Following several fatal crashes on Doyle Drive and the Bridge in the Spring, the CHP assigned a special enforcement squad of six motorcycle officers to patrol the Bridge through June, 1989.

A five-fold increase in traffic citations at the beginning of the safety campaign leveled to about three-fold in June, 1988. The immediate result of this special enforcement was a marked decrease in accidents on the Bridge.

GENERAL MANAGER'S REPORT

Transit Stoppage Congests Bridge Span

Bus drivers, members of the Amalgamated Transit Union, Local Division 1575, unable to agree to terms with the District on a new Memorandum of Understanding, stopped work between January 23 and 31, 1988. As a result, both bus transit and ferry transit services were interrupted.

Due to the temporary discontinuation of transit service, vehicles crossed the Bridge in record numbers during the 6-10 AM commute period. The highest single period total was 25,074 vehicles.

"Superbus" Test Well Received

In April, the District tested a new type of bus transit vehicle placing it in temporary service between Rohnert Park and San Francisco. Resembling a truck/trailer rig, the vehicle proved very popular. Market surveys showed that 88 percent of the passengers would ride this type of bus regularly if it were provided. They enjoyed the quiet, comfortable ride, spacious feeling, and large windows.

Bus Transit Division management concluded this type of vehicle could reduce costs on the longer transbay routes up to 50 percent as a result of operator, fuel and maintenance savings.

Ridesharing Program Honored

The District received the Metropolitan Transportation Commission's Grand Award for 1987 for promoting ridesharing.

To provide more efficient ridesharing assistance to North Bay counties, the District supplemented its efforts in this activity by contracting with RIDES for Bay Area Commuters, Inc. (RIDES), with the intent of transferring the District's ridesharing program to RIDES in 1989.

Equal Opportunity in Employment and Contracts

The District monitors changes in its employee workforce population through the Equal Employment Opportunity Affirmative Action Program. During FY 1987-88, the total number of regular, full-time employees decreased from 830 to 806, with ethnic minorities representing 35.6 percent and women representing 26.1 percent of the District's workforce.

The District monitors its purchases and contracts with small business concerns owned and controlled by socially and economically disadvantaged individuals, or Disadvantaged Business Enterprises (DBEs), through the Small Business Program. The annual DBE goal for FY 1987-88 was 15 percent. This goal was exceeded when DBEs were awarded 21.2 percent of purchases and contracts, including 26.2 percent of contracts funded by the Urban Mass Transportation Administration (UMTA) and 18.0 percent of contracts funded by the Federal Highway Administration.

San Rafael Bus Facility

A \$5.1 million project adding four repair bays, space for storage of parts, as well as other improvements to the San Rafael Bus Facility was initiated this past year. The project is financed by UMTA funds (80%), as well as State and District funds. This project is scheduled for completion in the Fall of 1988 and is presently ahead of schedule.

Other Capital Projects

Winter storms in 1987 damaged the seawall at the Bridge's South Anchorage. A two-phase plan has been prepared by District engineers to make repairs to the seawall. It is expected the project will cost approximately \$750,000.

Several Ferry Transit Division capital projects have also been started this past year. They are: relining of four 75,000-gallon fuel storage tanks to prevent contamination and corrosion (\$150,000); modernizing obsolete radar, radio and other pilot-house equipment on the four District vessels (\$239,000); and a bilgewater collection system at the Larkspur Ferry Terminal for more efficient disposal of oil and chemical contaminated bilgewater (\$130,000).

Bus Transit Division Projects

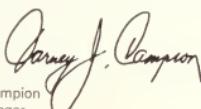
This year 21 new buses, each equipped with wheelchair lifts, were acquired from Motor Coach Industries at a total cost of \$4.4 million. UMTA provided 80 percent of the funding, with the remainder being provided by the State. The District plans to replace 30 of its older buses each year. There are currently 239 buses in the District fleet.

By agreement with the California Energy Commission, the District continued to participate in the methanol-powered bus demonstration project. Under this program the District operates two state-owned methanol-powered buses in revenue service.

Ferry feeder bus service was extended to the San Marin area in Novato, and the feeder bus run south of Market Street in San Francisco was extended to the Civic Center.

District Employees

I wish to extend my appreciation and thanks to the employees of the District. They have confronted and found solutions to many pressing problems throughout this past year. They continue to provide the highest quality of service to the people who use the Golden Gate Corridor.



Carney J. Campion
General Manager



Sister Bridge Affiliation

Golden Gate Bridge District representatives and Japanese authorities participated in a celebration of the completion of Japan's Seto Ohashi "Grand Bridge". Sister Bridge Affiliation documents were signed in April.

Additions to Bus Fleet

Twenty-one new Motor Coach Industries (MCI) buses were delivered to the Bus Division headquarters in San Rafael. All these buses have built-in elevator wheelchair lifts.



Accessible Transit for the Disabled Community

The District works closely with the Committee for Persons with Disabilities as part of its accessible transit services.

Bridge Safety Improvement

The California Highway Patrol, in association with the Bridge District, assigned a special squad to enforce the 45 MPH speed limit on the Bridge and its approaches. The campaign resulted in a marked decrease in accidents.



HIGHLIGHTS OF THE YEAR

SuperBus - A Super Commute

This new type of transit vehicle was tested to obtain passenger opinions and to evaluate operating characteristics. A survey showed this type of bus transit to be very popular with passengers.



Ferry Patronage

The ferries are an environmentally desirable transit system and they continue to attract new passengers. Commute patronage increased 12% during the year.

San Rafael Bus Facility

Sixteen years after Golden Gate Transit began its operation, the Bus Maintenance Facility was expanded to maximize bus maintenance efficiency.



INDEPENDENT AUDITOR'S REPORT

**Deloitte
Haskins+Sells**

50 Fremont Street
San Francisco, California 94105-2230
(415) 393-4300
Telex 340336

The Board of Directors of the
Golden Gate Bridge, Highway and
Transportation District:

We have audited the accompanying statements of financial position of the Golden Gate Bridge, Highway and Transportation District (the District) as of June 30, 1988 and 1987 and the related statements of revenues and expenses, equity and changes in financial position for the years then ended. These financial statements and the supplemental schedules discussed below are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether such financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Golden Gate Bridge, Highway and Transportation District for the years ended June 30, 1988 and 1987 and the results of its operations and the changes in its financial position for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by division for the years ended June 30, 1988 and 1987 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte Haskins + Sells

Deloitte, Haskins + Sells

San Francisco, California
October 14, 1988

FINANCIAL STATEMENTS

**Statements of Financial Position
June 30, 1988 and 1987 (In Thousands)**

	1988	1987
ASSETS		
CURRENT ASSETS:		
Cash	\$ 208	\$ 460
Short-term investments	18,652	19,052
Capital and operating grants receivable	1,879	1,726
Accounts receivable	768	625
Maintenance inventories and supplies	1,714	1,609
Prepaid expenses	294	319
Total current assets	<u>23,515</u>	<u>23,791</u>
DEFERRED COMPENSATION PLAN ASSETS	<u>5,109</u>	<u>3,910</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	6,265	6,163
Bridge, related buildings and equipment	131,435	126,406
Accumulated depreciation	<u>(29,539)</u>	<u>(27,123)</u>
Net	<u>101,896</u>	<u>99,283</u>
Transit property and equipment:		
Bus	38,404	38,116
Ferry	42,317	44,352
Accumulated depreciation	<u>(33,228)</u>	<u>(34,948)</u>
Net	<u>47,493</u>	<u>47,520</u>
Construction in progress	9,050	6,994
Property, plant, and equipment - net	<u>164,704</u>	<u>159,960</u>
TOTAL ASSETS	<u>\$ 193,328</u>	<u>\$ 187,661</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	\$ 2,693	\$ 3,312
Accrued liabilities	1,365	1,730
Accrued compensated absences	3,744	2,922
Self-insurance liabilities	2,810	2,356
Loan payable to bank - current portion	139	530
Contract retentions	338	183
Total current liabilities	<u>11,139</u>	<u>11,033</u>
NONCURRENT LIABILITIES:		
Contract retentions	183	216
Accrued compensated absences	357	557
Loan payable to bank	765	
Self-insurance liabilities	3,922	3,457
Deferred compensation plan obligations	5,109	3,910
Total noncurrent liabilities	<u>10,336</u>	<u>8,140</u>
EQUITY	<u>171,853</u>	<u>168,488</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 193,328</u>	<u>\$ 187,661</u>

See notes to financial statements.

FINANCIAL STATEMENTS

Statements of Revenues and Expenses
For the Years Ended June 30, 1988 and 1987 (In Thousands)

	<u>1988</u>	<u>1987</u>
REVENUES:		
Operating revenues:		
Bridge	\$ 28,033	\$ 26,841
Bus:		
Bus	10,920	11,755
Club Bus	684	650
Ferry	3,652	3,529
Friends of the Golden Gate Bridge	237	1,219
Total operating revenues	<u>43,526</u>	<u>43,994</u>
Operating assistance:		
State and local	7,545	7,094
Federal	1,658	1,835
Total operating assistance	<u>9,203</u>	<u>8,929</u>
Investment income	1,411	1,180
Total revenues	<u>54,140</u>	<u>54,103</u>
EXPENSES:		
Operating expenses:		
Bridge	11,304	10,866
Bus:		
Bus	26,034	25,290
Club Bus	1,086	1,022
Ferry	7,785	7,658
Friends of the Golden Gate Bridge	116	1,574
Total operating expenses	<u>46,325</u>	<u>46,410</u>
Repairs and maintenance:		
Bridge	6,223	6,091
Bus	5,160	5,816
Ferry	1,569	1,334
Total repairs and maintenance	<u>12,952</u>	<u>13,241</u>
Total expenses	<u>59,277</u>	<u>59,651</u>
EXCESS OF EXPENSES	(5,137)	(5,548)
AMORTIZATION OF CAPITAL GRANTS	4,448	4,084
EXCESS OF EXPENSES TRANSFERRED TO EQUITY	<u>\$ (689)</u>	<u>\$ (1,464)</u>

See notes to financial statements.

FINANCIAL STATEMENTS

**Statements of Equity
For the Years Ended June 30, 1988 and 1987 (In Thousands)**

	<u>DISTRICT EQUITY</u>	<u>CAPITAL GRANT EQUITY</u>	<u>FRIENDS OF THE GOLDEN GATE BRIDGE</u>	<u>TOTAL EQUITY</u>
BALANCE, JULY 1, 1986	\$ 71,983	\$ 95,498	\$ (750)	\$ 166,731
EXCESS OF EXPENSES TRANSFERRED TO EQUITY	(1,109)		\$ (355)	(1,464)
AMORTIZATION OF CAPITAL GRANTS		(4,084)		(4,084)
DONATION TO DISTRICT	520			520
CAPITAL GRANTS:				
Bridge		4,663		4,663
Bus		1,763		1,763
Ferry		359		359
BALANCE, JUNE 30, 1987	71,394	98,199	(1,105)	168,488
EXCESS OF EXPENSES TRANSFERRED TO EQUITY	(810)		121	(689)
AMORTIZATION OF CAPITAL GRANTS		(4,448)		(4,448)
DONATION TO DISTRICT	38			38
CAPITAL GRANTS:				
Bridge		491		491
Bus		7,470		7,470
Ferry		503		503
BALANCE, JUNE 30, 1988	<u>\$ 70,622</u>	<u>\$ 102,215</u>	<u>\$</u>	<u>(984)</u> <u>\$ 171,853</u>

See notes to financial statements.

FINANCIAL STATEMENTS

**Statements of Changes in Financial Position
For the Years Ended June 30, 1988 and 1987 (In Thousands)**

	1988	1987
CASH PROVIDED (USED) BY OPERATIONS:		
Excess of expenses	\$ (5,137)	\$ (5,548)
Items not using cash - depreciation and amortization	6,039	5,988
Effect of working capital items:		
Capital and operating grants receivable	(153)	3,308
Other current assets	(223)	(120)
Trade accounts payable	(619)	1,401
Self-insurance liabilities	454	201
Other current liabilities	662	248
Noncurrent liabilities - increase	1,431	2,042
Cash provided by operations	<u>2,454</u>	<u>7,520</u>
CASH PROVIDED BY DONATIONS	38	520
CASH PROVIDED (USED) BY FINANCING ACTIVITIES:		
Long-term debt:		
Borrowings	974	
Repayments	<u>(600)</u>	
Cash provided by financing activities	<u>374</u>	<u>—</u>
CASH USED FOR INVESTMENT ACTIVITIES:		
Property additions:		
Bridge	(2,796)	(8,023)
Bus	(7,649)	(1,870)
Ferry	(548)	(701)
Cash provided by capital grants:		
Bridge	491	4,663
Bus	7,470	1,763
Ferry	503	359
Property disposals - net	210	397
Deferred compensation plan assets - increase	<u>(1,199)</u>	<u>(881)</u>
Cash used for investment activities	<u>(3,518)</u>	<u>(4,293)</u>
CASH AND SHORT-TERM INVESTMENTS:		
Increase (decrease) for the year	(652)	3,747
Balance, beginning of year	<u>19,512</u>	<u>15,765</u>
BALANCE, END OF YEAR	\$ 18,860	\$ 19,512

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District (the District) is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

Friends of the Golden Gate Bridge (FGGB) was incorporated in 1985 as a nonprofit public benefit corporation to establish a transportation museum related to the Golden Gate Bridge and nearby transportation facilities and to provide for historical recognition of the Bridge, including sponsorship of the May 1987 fiftieth anniversary commemoration of the opening of the Golden Gate Bridge. The District is the sole member of FGGB and has control over its activities through appointment of a majority of FGGB's Board of Trustees and approval of FGGB's major policies, plans, programs, budgets, and expenditures; however, FGGB is a separate legal entity whose obligations (except as described in Note 11) are not obligations of the District.

2. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The accompanying financial statements include the financial activities of the District and FGGB.

Short-term investments are stated at cost which approximates market value.

Deferred compensation plan assets are stated at market value.

Property, plant and equipment are recorded at total cost; related capital grants are recorded as capital grant equity. Depreciation based on the total cost of property acquired with capital grants is included in expense; a credit reflecting amortization of the related capital grants is included in the excess of revenues over expenses transferred to equity. Major additions and replacements are capitalized. Maintenance, repairs, and additions of a minor nature are expensed as incurred.

The costs of acquisition and construction of equipment and facilities are recorded in construction in progress until such assets are completed and placed in service, at which time depreciation and amortization of capital grants are recorded.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

- Bridge structural components — 100 years
- Bridge buildings, toll plaza structure, deck and approach roadways and sidewalks — 50 years
- Bridge roadway lighting, toll collection, and other equipment — 3 to 20 years
- Buses — 12 years
- Ferry boats — 40 years
- Other transit property — 5 to 40 years

Operating assistance grants are recorded as revenue upon approval by the grantor agencies.

Donations — FGGB operating revenues are derived from fundraising activities and monetary donations. FGGB has also received donations of services. As is customary practice, no amounts have been recorded for donated services because no objective basis is available to measure the value of such services. Monetary donations by FGGB to the District are recorded as expenses by FGGB and donated capital by the District.

Pension Plans — The District participates in several pension plans covering all employees. Certain union members are covered under single employer or multi-employer plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. Pension contributions are based on rates established by negotiated labor contracts or by administrators of the plans. The District's policy is to fund pension costs as accrued.

NOTES TO FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS

The District maintains cash and investments that are available for general use (subject to prior Board designations, see Note 12).

Cash and Certificates of Deposit — At June 30, 1988 (and 1987), the District's cash on hand was \$208,000 (1987, \$203,000), and the carrying amount of the District's cash deposits was \$226,000 overdraft (1987, \$257,000 positive balance). The 1988 book overdraft is included in accrued liabilities. The corresponding bank deposits were \$556,000 (1987, \$692,000), of which \$120,000 (1987, \$122,000) was insured by federal deposit insurance or collateralized by securities held by the District's agent in the District's name and \$436,000 (1987, \$570,000) was collateralized 110% as required by Section 53652 of the California Government Code by the pledging financial institutions. However, such collateral is not in the District's name.

Short-term investments include time certificates of deposit of \$1,250,000 (1987, \$1,250,000), of which \$100,000 (1987, \$100,000) was insured by federal depository insurance and the remainder was collateralized 110%; however, such collateral was not in the District's name. Deferred compensation plan assets include certificates of deposit of \$4,991,000 (1987, \$3,824,000), all of which was federally insured.

Investments — Statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, reverse repurchase agreements, and the state treasurer's investment pool. During fiscal year 1988, the District held U.S. Treasury notes which were sold prior to year-end.

The District's investments are categorized below (in thousands) to give an indication of the credit risk assumed by the District at June 30, 1988. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name (the District had no Category 3 investments at June 30, 1988).

	1988			1987	
	Category 1	Category 2	Carrying Amount	Market Value	Carrying Amount
Repurchase agreements			\$1,150	\$ 1,150	\$ 500
Corporate commercial paper	\$ 4,719		4,719	4,731	2,484
Bankers' acceptances	5,740		5,740	5,763	3,945
Negotiable certificates of deposit	793		793	793	5,873
Total	\$11,252	\$1,150	12,402	12,437	12,802
Cash on hand			208	208	203
Demand deposits (overdraft)			(226)	(226)	257
Certificates of deposit			6,242	6,242	5,074
Mutual funds			117	117	86
Investment in state treasurer's investment pool			5,000	5,000	5,000
Total			\$23,743	\$23,778	\$23,422
Reported as:					
Cash			\$ 208		\$ 460
Accrued liabilities (representing cash overdraft)			(226)		
Short-term investments			18,652		19,052
Deferred compensation plan investments			5,109		3,910
Total			\$23,743		\$23,422

NOTES TO FINANCIAL STATEMENTS

4. BRIDGE DECK REPLACEMENT GRANT

The District has a grant contract with the State of California Department of Transportation (CalTrans) through which it receives Federal Highway Assistance funding for approximately 80% of the cost to replace the bridge roadway and sidewalk and make certain structural and other improvements. The total cost of this project is currently estimated to be \$77 million. This grant, less related amortization, is included in capital grant equity and is summarized at June 30, 1988 as follows (in thousands):

	Project Costs Incurred	Grants Received
Fiscal 1988	\$ 1,179	\$ 491
Prior years	<u>74,011</u>	<u>58,383</u>
Subtotal	<u>75,190</u>	<u>58,874</u>
Less grants amortized		(3,262)
 Total	 <u>75,190</u>	 <u>55,612</u>

CalTrans pays project costs and is reimbursed by the District for its share. The District has deposited \$2,712,000 in an escrow account as security for this arrangement.

5. TRANSIT CAPITAL GRANTS

The District has received grants from the Urban Mass Transportation Administration which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The District also receives grants under State Transit Assistance programs primarily for the acquisition of buses and related facilities. These grants, less related amortization, are included in capital grant equity and are summarized at June 30, 1988 as follows (in thousands):

	Bus Division	Ferry Division
Total approved project cost	\$ 76,262	\$ 47,066
Total approved capital grants	\$ 66,297	\$ 36,195
Less grants received or receivable	<u>(46,053)</u>	<u>(33,940)</u>
 Remaining grants available	 <u>20,244</u>	 <u>2,255</u>
 Grants credited to capital grant equity:		
Total, July 1, 1987	\$ 37,944	\$ 33,496
Additions in 1988:		
Urban Mass Transportation Administration	5,452	413
State Transit Assistance	2,018	90
Total, June 30, 1988	<u>45,414</u>	<u>33,999</u>
Less amounts amortized	<u>(21,733)</u>	<u>(11,077)</u>
 Net grants in capital grant equity	 <u>23,681</u>	 <u>22,922</u>

Expenditures of transit capital grants (see above) and bridge deck grant funds (see Note 4) are subject to final review by the grantor agencies. At June 30, 1988 expenditures of approximately \$129,823,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$8,464,000 for the year ended June 30, 1988) will be approved in full.

NOTES TO FINANCIAL STATEMENTS

6. STATE AND LOCAL OPERATING ASSISTANCE

The District receives operating assistance from various state and local sources. Transportation Development Act funds are received from Sonoma and Marin counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission (MTC). State Transit Assistance funds are received directly from MTC based on the ratio of the District's transit operation revenue and local support to the revenue and local support of all state transit agencies. The District also receives Marin County Transit local funds and minor amounts of assistance from other state agencies. Operating assistance is summarized as follows for the years ended June 30, 1988 and 1987 (in thousands):

	<u>1988</u>	<u>1987</u>
Transportation Development Act	\$ 6,817	\$ 6,355
State Transit Assistance	31	0
Marin County Transit local funds	587	600
CalTrans	110	139
Total	<u>\$ 7,545</u>	<u>\$ 7,094</u>

7. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,658,000 and \$1,835,000 of federal operating assistance for the years ended June 30, 1988 and 1987, respectively. These funds are distributed to the District by the Urban Mass Transportation Administration after approval by MTC. The 1988 funds are subject to final review and the District anticipates that they will be approved in full.

8. PENSION PLANS

PUBLIC EMPLOYEES RETIREMENT FUND

Plan Description - All permanent District employees (except bus and ferry operators and deckhands) participate in the Public Employees' Retirement System (Fund) of the State of California's Public Employees' Retirement System. The Fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for the various local and state governmental agencies within the State of California. The Fund provides retirement, disability, and death benefits based on employees' age, years of service, and average of three highest years compensation. Employees vest after five years of service and may receive retirement benefits commencing at age 50. These benefit provisions and all other requirements are established by state statute.

The District's actuarially determined contribution rate to the Fund was 8.235% and 9.925% of payroll for covered employees for the years ended June 30, 1988 and 1987, respectively. In lieu of salary increases in certain prior years, the District agreed to pay the 7% employee contribution for administrative employees and a majority of union employees covered by the Fund. In total, the District contributed to the Fund 13.60% and 13.13% of payroll for covered employees for the years ended June 30, 1988 and 1987, respectively. The District's covered payroll for employees participating in the Fund for the years ended June 30, 1988 and 1987 was \$17,675,000 and \$17,209,000, respectively.

Funding Status and Progress - The "pension benefit obligation" is determined for each participating employer by the Fund's actuary and is a standardized disclosure measure that results from applying actuarial assumptions to estimate the present value of pension benefits, adjusted for the effects of projected salary increases and step rate benefits, to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the District's portion of the Fund to which contributions are made on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used.

NOTES TO FINANCIAL STATEMENTS

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1987. The significant actuarial assumptions used in the 1987 valuation to compute the pension benefit obligation were an assumed rate of return on investment assets of 8.5%, annual payroll increases of 5.75% attributable to inflation and 1.25% attributable to merit or seniority, and no postretirement benefit increases.

Total unfunded pension obligation applicable to the District's employee group at June 30, 1987 (1986 information is unavailable) is as follows (in thousands):

Pension Benefit Obligation:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$12,798
Current employees:	
Accumulated employee contributions and allocated investment earnings	11,672
Employer-financed, vested	15,036
Employer-financed, nonvested	431
Total pension benefit obligation	39,937
Net assets available for benefits, at cost (total market value, \$48,784)	38,965
Unfunded pension benefit obligation	<u>\$ 972</u>

Actuarially Determined Contributions Required and Contributions Made - The funding policy of the Fund provides for actuarially determined periodic contributions by the District at rates such that sufficient assets will be available to pay Fund benefits when due. The District's contribution to the Fund for the years ended June 30, 1988 and 1987 was made in accordance with the actuarially determined requirements computed as of June 30, 1987 and 1986, respectively. The total pension expense and funded contribution for the year ended June 30, 1988 was \$2,397,000 (1987, \$2,616,000) which consisted of (a) \$2,017,000 (1987, \$2,068,000) normal cost (11.4% (1987, 12%) of current covered payroll) and (b) \$380,000 (1987, \$548,000) amortization of the unfunded actuarial liability (2.15% (1987, 3.18%) of the current covered payroll).

The contribution rate for normal cost is determined using the entry-age normal funding method. The Fund uses the same method to amortize the unfunded liability over a twelve-year period.

Significant actuarial assumptions used in 1987 valuation to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

Three-Year Historical Trend Information - Trend information for the Fund is unavailable. For the year ended June 30, 1988 available net assets were sufficient to fund 97.6% of the pension benefit obligation; the unfunded pension benefit obligation represented 5.5% of the annual payroll for employees covered by the Fund; and the District's actuarially determined funded contribution to the Fund was 13.6% of annual covered payroll.

GOLDEN GATE TRANSIT - AMALGAMATED RETIREMENT PLAN

Plan Description - The District's bus operators participate in the Golden Gate Transit — Amalgamated Retirement Plan (Amalgamated), a defined benefit pension plan funded by the District and administered by a Board of Trustees consisting of District and union representatives. This plan provides retirement, disability, and death benefits based on employees' age, years of service, and average of three highest years compensation. Employees may receive normal retirement benefits with 20 years of service at age 65. These benefit provisions and all other requirements are established through collective bargaining.

The District contributed to Amalgamated 15.16% of payroll for covered employees for the years ended June 30, 1988 and 1987. The District's covered payroll for employees participating in Amalgamated for the years ended June 30, 1988 and 1987 was \$9,309,000 and \$9,755,000, respectively.

NOTES TO FINANCIAL STATEMENTS

Funding Status and Progress - Actuarial data as of June 30, 1988, including the District's actuarial present value of future benefits discussed below, has not yet been prepared by actuaries in accordance with Governmental Accounting Standards Board Statement No. 5, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers" (GASB No. 5). These disclosures are based on actuarial data prepared in accordance with requirements in effect prior to GASB No. 5, and District management believes such actuarial data provides a fair representation of the District's funding status and progress.

The actuarial present value of future benefits for Amalgamated is determined by Amalgamated's actuary and is that amount which results from applying actuarial assumptions to adjust future benefits (to be earned in the future as well as those already accrued) to reflect the time value of money and the probability of payment between the valuation date and expected date of payment.

The actuarial present value of future benefits was computed as part of an actuarial valuation performed as of December 31, 1987. The significant actuarial assumptions used in the 1987 valuation to compute the present value of future benefits were an assumed rate of return on investment assets of 8%, and annual payroll increases of 7%.

The unfunded actuarial liability at December 31, 1987 follows (in thousands):

Actuarial present value of future benefits	\$31,474
Actuarial assets available for benefits, at average of cost and market (total market value, \$29,754)	<u>29,435</u>
Unfunded actuarial liability	<u>\$ 2,039</u>

Actuarially Determined Contributions Required and Contributions Made - The District's contribution to Amalgamated for the years ended June 30, 1988 and 1987 was made in accordance with the actuarially determined requirements computed as of December 31, 1987 and 1985, respectively. The total pension expense and funded contribution for the year ended June 30, 1988 was \$1,411,000 (1987, \$1,479,000) which consisted of (a) \$1,303,000 (1987, \$1,264,000) normal cost (14% (1987, 12.96%) of current covered payroll) and (b) \$108,000 (1987, \$215,000) amortization of the unfunded actuarial liability (1.16% (1987, 2.21%) of current covered payroll).

The contribution rate for normal cost is determined using the entry-age normal funding method. The Fund uses the same method to amortize the unfunded liability over an eighteen-year period.

OTHER RETIREMENT PLANS

Comparable information is not available from other union administered multiemployer plans, principally covering ferry operators and deckhands, in which the District is a participant. Pension expense for these plans for the years ended June 30, 1988 and 1987 was \$201,000 and \$169,000 respectively.

9. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan, adopted under Internal Revenue Code Section 457(b), which provides for the deferral of a portion of participating employees' compensation until retirement, termination, or certain other covered events. As required by IRC 457, plan assets remain the property of the District until paid or made available to participants, subject only to the District's general creditors. Plan assets are held by an administrator in a segregated fund and are invested primarily in certificates of deposit; benefits due under the plan are fully funded.

NOTES TO FINANCIAL STATEMENTS

10. COMMITMENTS AND CONTINGENCIES

Contractual claims - The District has received a change of work proposal from the construction contractor for the District's bridge deck replacement project. The proposal requests additional compensation of \$12,000,000 for costs allegedly caused by the District not otherwise compensated for in previously issued contract change orders. The District has filed a lawsuit against the contractor seeking damages in excess of \$9,300,000 for improper completion of work and liquidated damages for delay in completion of the project. The contractor and some subcontractors and suppliers have cross-complained to recover their claims of an aggregate of \$12,000,000. In the opinion of District's management, based on the advice of counsel, the District should be eligible for Federal Highway Assistance (FHA) funding (see Note 4) for a portion of the cost if part or all of the contractor's proposal is found to be meritorious. Such funding would, however, require new FHA approval of an additional grant request and the District believes that the availability of such funding cannot be considered likely in the current federal budgetary environment. Management believes that the District's cost of any potential settlement of this matter would not have a material effect on the District's financial position.

The District is a defendant in a lawsuit by a shipyard contractor which performed the ferry diesel engine conversion project. The lawsuit requests additional compensation of \$2,700,000 for delays and cost overruns allegedly caused by the District. Based on the advice of counsel, the District believes that the lawsuit is substantially without merit and intends to vigorously contest the claim. Management believes that the outcome will not have a material effect on the District's financial position.

Insured and Uninsured risks - There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. In general, the District is insured for risks where coverage is available and considered to be cost-effective. The District is self-insured for public liability risk for bridge and bus divisions. Worker's compensation coverage has a deductible of \$250,000 for each occurrence for all divisions. Provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies and for self-insured losses.

Commitments - At June 30, 1988, the District had commitments of approximately \$103,000 for its share of the Bridge deck replacement project and approximately \$360,000 for transit equipment and other projects.

NOTES TO FINANCIAL STATEMENTS

11. FRIENDS OF THE GOLDEN GATE BRIDGE

The condensed financial position of FGGB at June 30, 1988 and 1987 is shown as follows (in thousands):

	1988	1987
Assets (principally cash)	\$ 21	\$ 85
Liabilities:		
Accounts payable and accrued liabilities	15	460
Advance from District	86	200
Loan payable to Bank	904	530
Total	1,005	1,190
FGGB fund deficit	<u>\$ (984)</u>	<u>\$ (1,055)</u>

In October 1987, the Board of Trustees of FGGB authorized a plan to restructure FGGB's obligations; such plan was also approved by the District's Board of Directors. As a part of the restructuring plan, a new loan agreement was executed with FGGB's bank which increased the loan balance from \$530,000 to \$974,000. The new loan commenced November 1987 and has a seven-year term. Principal and interest at the bank's prime rate will be payable quarterly; principal may be prepaid at any time without penalty. The new loan proceeds were used to repay FGGB's loan from the District and to repay FGGB's creditors. FGGB intends to repay the bank loan from the proceeds of future revenue-raising activities. The District has approved a limited guarantee of FGGB's bank loan to the extent of net revenues of the gift center and visitors' parking lot; such guarantee does not extend to the District's toll, operating, and other revenues. At June 30, 1988 the District had advanced \$86,000 to FGGB under this guarantee.

12. DISTRICT-DESIGNATED FUNDS

The Board of Directors has designated portions of the District's available funds (excluding funds of FGGB) for replacement of the bridge deck and transit equipment and for other anticipated expenditures or possible emergencies. An analysis of District-designated funds at June 30, 1988 follows (in thousands):

District net current assets	\$ 12,595
Add (deduct):	
Accrued compensated absences	3,744
Maintenance inventories and supplies	(1,714)
Prepaid expenses	(294)
Total available funds	<u>14,331</u>
Less District-imposed designations for:	
Replacement of bridge deck	152
Replacement of buses and ferry boats	4,000
Insurance claims	3,672
Emergencies	5,000
Museum Fund	367
Transit center	87
Total designated funds	<u>13,278</u>
Total nondesignated funds	<u>\$ 1,053</u>

NOTES TO FINANCIAL STATEMENTS

13. ALLOCATION OF DISTRICT DIVISION EXPENSE

District Division expense has been allocated to the operating divisions by resolution of the Board of Directors as follows (in thousands):

	1988	1987
Bridge	\$ 3,366	\$ 2,726
Bus	3,403	3,036
Ferry	833	740
Total	<u><u>7,602</u></u>	<u><u>6,502</u></u>

OFFICERS, MANAGERS & DEPARTMENT HEADS



Carney J. Campion
General Manager



Gene P. Rexrode
Secretary



John J. Quigley
Auditor-Controller



Daniel E. Mohn
Chief Engineer



David J. Miller
Attorney



Robert A. Warren
Bridge Division Manager



H. Donald White
Bus Division Manager



Eric A. Robinson
Ferry Division Manager



Candice A. Gonzalez
Affirmative Action Officer



Margaret Heaston-Rumford
Personnel Director



Jerome Kuykendall
Planning Director



James O'Hare
Information Systems Director



William Rumford
Chief of Security



Bruce Selby
Marketing Director

Not Pictured: **Loal von der Werth**, District Services Director

BOARD OF DIRECTORS



Robert B. Stockwell
Marin
First Vice President



Carol Ruth Silver
San Francisco
President



James R. Bronkema
San Francisco
Second Vice President



C. Paul Bettini
Marin



L. E. "Bud" Castner
Sonoma



Jack W. Cavanagh
Sonoma



Carl Daubeneck
Mendocino



Lowell Edington
Napa



John E. Fraser
Del Norte



Gary Giacomini
Marin



James L. Harberson
Sonoma



Stephan C. Laounoudakis
San Francisco



Robert McDonnell
San Francisco



John L. Molinari
San Francisco



John J. Moylan
San Francisco



Bob Ross
San Francisco



Richard D. Spotswood
Marin



Nancy G. Walker
San Francisco



Doris M. Ward
San Francisco



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

BOX 9000, SAN FRANCISCO, CALIFORNIA 94129, TELEPHONE 415-521-5858

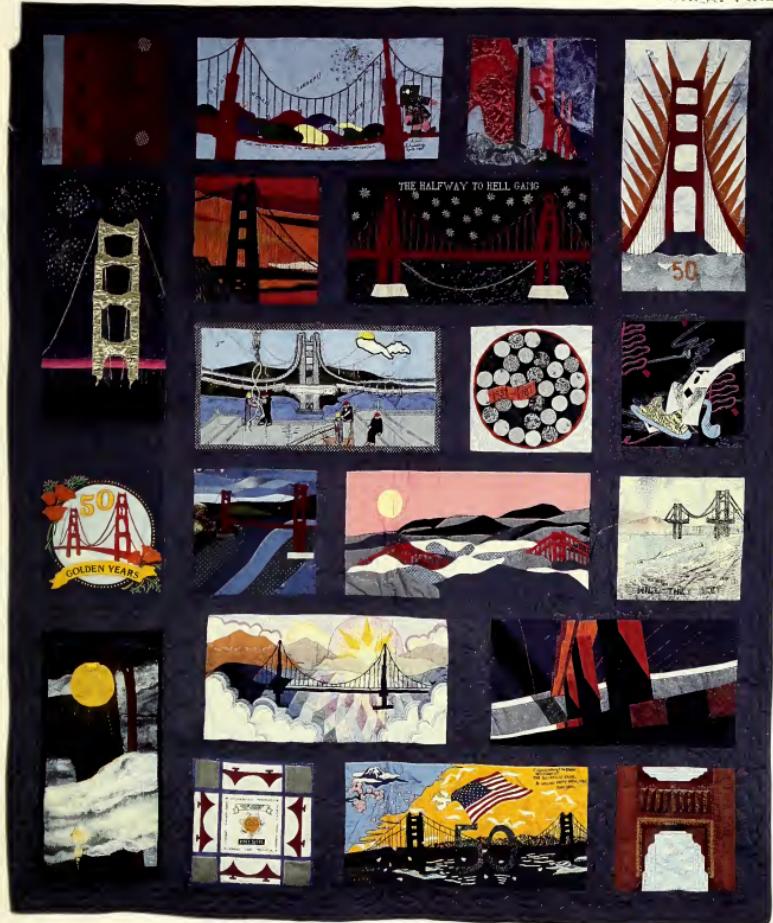
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ABOUT THE COVER: Inspired by the 50th anniversary of the Golden Gate Bridge, the San Francisco Quilters Guild hosted an international competition for quilters. One hundred and twenty five quilters submitted their unique, colorful blocks. The best 20 blocks were included in the prize Bridge Quilt which was presented to the Golden Gate Bridge District at a special ceremony. The blocks were created by a variety of individuals, including a 72 year old man from Japan.

The 7-1/2' by 8-1/2' wall hanging depicts a variety of Bridge scenes: the towers projecting through the fog, a cross section of a huge suspension cable, and a tribute to the "Halfway to Hell Gang"—workers who survived falls during the construction.

The hanging is now on permanent display at the Golden Gate Bridge headquarters at the Toll Plaza in San Francisco.

Photographer: Bob David

ANNUAL REPORT

1988 - 1989



GOLDEN GATE BRIDGE
HIGHWAY AND TRANSPORTATION DISTRICT

DIRECTORS, OFFICERS AND MANAGERS

District Officers

President Robert B. Stockwell	Secretary Gene P. Rexrode
First Vice President James R. Bronkema	Auditor-Controller John J. Quigley
Second Vice President Richard D. Spotswood	Attorney David J. Miller
General Manager Carney J. Campion	Chief Engineer Daniel E. Mohn

Operating Managers

Bridge Division Robert A. Warren	Bus Transit Division H. Donald White	Ferry Transit Division Eric A. Robinson
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District Board of Directors

City and County of San Francisco James R. Bronkema Richard Hongisto Harry W. Kim Stephen C. Leonoudakis Robert McDonnell Wendy Nelder Bob Ross Nancy G. Walker Doris M. Ward	Sonoma County L. E. "Bud" Castner Jack W. Cavanagh James L. Harberson
Marin County C. Paul Bettini Gary Giacomini Richard D. Spotswood Robert B. Stockwell	Napa County Lowell Edington
	Mendocino Carl Daubeneck
	Del Norte County John E. Fraser

SUMMARY OF THE FISCAL YEAR

THE GOLDEN GATE BRIDGE HIGHWAY AND TRANSPORTATION DISTRICT

herein presents its Annual Report for Fiscal Year 1988-89. A statistical overview of the District's operations is shown in the table below. Subsequent pages contain the President's Message, the General Manager's Report, and detailed financial statements.

	1989	1988
	(In Thousands)	
GOLDEN GATE BRIDGE		
Total Vehicle Crossings	43,392	43,458
GOLDEN GATE TRANSIT		
Bus Passengers	7,783	7,332
Ferry Passengers	1,495	1,452
Club Bus Riders	318	302
FINANCIAL SUMMARY		
Revenues:		
Operating Revenues	\$46,955	\$43,526
Operating Assistance	9,868	9,203
Other	1,375	1,411
Total Revenues	<u>58,198</u>	<u>54,140</u>
Expenses:		
Operating	45,922	46,325
Repairs & Maintenance	13,777	12,952
Total Expenses	<u>59,699</u>	<u>59,277</u>
Amortization of Capital Grants	4,363	4,448
Excess of Expenses Transferred to Equity	<u>\$ 2,862</u>	<u>\$ (689)</u>

PRESIDENT'S MESSAGE

The Golden Gate Bridge, Highway and Transportation District continues to be a dynamic organization vigorously meeting the challenges given it by the California State Legislature 20 years ago.

During the summer of 1988, the Board of Directors adopted a Toll, Fare and Service Improvement Plan which called for a Golden Gate Bridge toll increase to \$2.00 and a program of transit service improvements and fare reductions. On January 2, 1989, the new Bridge tolls and reduced transit fares went into effect.

The plan for new tolls, fares, and service changes followed a series of public hearings, intensive study by District staff and close scrutiny by the District Board of Directors. In brief, the Directors approved:

- 1) raising the Bridge toll to \$2.00 per auto, seven days a week;
- 2) offering discount Bridge toll ticket books; and
- 3) increasing the ticket book discount for bus and ferry transit commuters from the former 10 percent to 25 percent.

Reasons for Change

The program of changes was adopted to accomplish a number of important District goals:

- To solve a projected revenue shortfall estimated at more than \$38 million over the next five years. Because the District has no sales or property tax authority, its operations are financed by Bridge tolls, transit farebox revenues and funds made available by local, state or federal sources. Since state and federal transit funding has been declining for some years and increases in transit fares tend to reduce ridership, Bridge toll revenues were the primary focus for addressing future District financial needs.
- To improve and expand transit services, particularly for Transbay bus commuters.
- To address a growing need for commute transit services between Sonoma and Marin Counties.
- To stem the annual increase in vehicles crossing the Golden Gate Bridge into San Francisco.
- To finance safety and other improvements to the Bridge and Toll Plaza, to fund a study of the feasibility of providing a second Bridge deck for transit use, and to finance a major inspection of the main Bridge cables—the first in 20 years.

Effects on Congestion and Ridership

Results of the toll and discount program are outstanding. The first six months of operation for the program resulted in decreased commuter congestion on the Bridge, high levels of toll discount ticket use, and increased ridership on Golden Gate Transit bus and ferry services. By enhancing the District's fiscal condition, it is in a position to not only carry on its current levels of services but to also consider possible improvements. The District needs to restore services provided in former years when ridership was greater if it is to achieve increased transit use. In line with this commitment, the Directors voted in November 1988 to restore 11 Transbay runs that had been reduced in earlier years.

Looking To The Future

The District, as the North Bay regional transit operator, is assisting Marin and Sonoma Counties to acquire the Northwestern Pacific Railroad right-of-way through the two counties in order to preserve it for future use as a key element of the region's mass transit system. The North Bay plan of transportation improvements was prepared over a six year period at a cost of nearly \$1 million by the 101 Corridor Action Committee consisting of representatives from the cities, towns, and counties and transportation agencies of the North Bay. The study proposal calls for acquiring at least 42 miles of the railroad between Larkspur and Santa Rosa. The purchase may extend northward to Healdsburg, or beyond, as well as eastward into Napa County.

PRESIDENT'S MESSAGE

Over the next 20 years, the Corridor plan envisions spending an estimated \$1.3 billion to widen and improve Highway 101 through the two counties, adding high-occupancy vehicle (HOV) lanes for buses and carpool vehicles, building a transit system to use the NWP right-of-way and increasing ferry service with new, high-speed vessels. A proposal to ask voters in Marin and Sonoma to approve adding one cent to the existing sales tax will be submitted to the voters of each county in the near future, with the new money earmarked for transportation and transit.

Changes on the Board

In December, I had the honor of being elected President of the Board of Directors. Directors Richard Hongisto and Wendy Nelder, both representing San Francisco, joined the Board. Later, Napa County Supervisors appointed Ron Greenslate to the Board.

The list of committees on which the Directors serve was streamlined and the number of meetings held each month reduced to the minimum necessary to conduct District business, thus conserving staff time and reducing expenses.

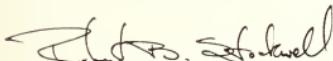
Progress Toward Full Accessibility

The District was included on a 1989 list of America's ten most accessible transit systems for its efforts in making Golden Gate Transit usable by disabled persons. The ranking was issued by Americans Disabled for Accessible Public Transportation (ADAPT).

As part of its program to make Golden Gate Transit fully accessible by 1993, the Board of Directors adopted formal specification guidelines for the purchase of lift equipped replacements buses. Additionally, the Board authorized buying 80 new buses to replace its oldest non-accessible buses. The new buses will be delivered in early 1990. Each will be lift-equipped and offer two positions for wheelchair passengers, one position facing forward, the other backward, as requested by the District's Advisory Committee on Services for Persons With Disabilities. Next year when the new buses are in service, 69 percent of the District's fleet will be accessible.

Team Effort

Much of the District's progress during Fiscal Year 1988-89 is due to outstanding performance by District employees. They displayed remarkable teamwork in implementing the new Bridge toll structure and meeting other changing conditions in District operations. My thanks go to them and to the Board of Directors for everyone's efforts to assure that the Golden Gate Bridge, Highway and Transportation District continues to be progressive and successful in meeting the region's transportation needs.



Robert B. Stockwell
President

GENERAL MANAGER'S REPORT

After six months experience with the \$2 toll increase, the results appear significant and positive. The previous year's three percent growth in vehicular traffic crossing the Golden Gate Bridge was reversed. Fiscal Year 1988-89 total traffic was only 43,391,562 vehicles—compared with the previous year, a decrease of 0.15 percent. Peak period traffic was also reduced. Between January and June of 1988, there were more than 60 weekdays in which more than 24,000 vehicles crowded onto the Bridge during morning commute hours. Between January and June 1989, the number of such crowded days dropped to only 20. Concurrently, toll revenue increased over the previous year by 12.85 percent. About 70 percent of motorists crossing the Bridge during commute hours use the new toll tickets, and 54 percent of all drivers pay by ticket rather than \$2 cash. This has resulted in faster, improved traffic flow through the Toll Plaza.

Golden Gate Bus patronage has increased approximately 13 percent since the new transit fare discount. For Fiscal Year 1988-89, ridership was 7.8 million compared with 7.3 million the previous year. Total bus revenue was approximately \$10,000 more than a year earlier, despite increased fare discounts.

Combined total ridership on the Larkspur and Sausalito ferries was 1.5 million, an increase of 2.9 percent over the previous year. Revenue was \$3.3 million, up 1.1 percent over the previous year.

Other important events of the year include:

Bridge Division

Second deck study. Directors authorized an engineering study to evaluate the structural capability of the Bridge to support a second deck dedicated to fixed-guideway transit. The study will consider structural safety of the Bridge as well as compare feasibility and costs of constructing a BART type rail system, a light rail system, a monorail, a railbus or any other rail system that may be identified as a practical alternative. The study will not examine environmental impacts or aspects of the alternative transit systems beyond the physical limits of the Golden Gate Bridge and approaches. Consideration of such broader matters will be appropriate for future detailed corridor studies.

Safety Enforcement. The California Highway Patrol assigned special units, as available, to improve drivers' observance of the 45 mph speed limit on the Bridge. For the 12 months ending April 30, 1989, fatalities on the Bridge were reduced 75 percent from a year earlier, and the overall number of injury accidents was reduced 23 percent. The number of speeding citations issued rose 97 percent.

Seawall Repair. District Directors awarded a \$37,920 contract for repairs of the storm-damaged seawall for the south anchorage.

Bus Transit Division

Special efforts to improve service reliability succeeded in significantly reducing absenteeism among bus drivers. As a result, cancellations of scheduled runs were virtually eliminated. In November 1988, Directors authorized 11 more Transbay buses be placed in commuter service to and from the San Francisco Financial District and Civic Center. Also, as part of the effort, 27 new drivers were hired and trained to meet the needs of the expanded bus service schedules.

Drivers Safety Praised. In February 1989, the California Department of Motor Vehicles commended Golden Gate Transit for its driver safety training program and District drivers for their excellent safety record.

The District awarded a contract for 80 new passenger lift-equipped buses to replace older buses, many of which have been in service since the early 1970's. The cost is approximately \$17.7 million, with 80 percent of the funds coming from federal sources (UMTA grants) and 20 percent from California state grants.

New Riders Committee. The Board formed a new Golden Gate Transit Bus Passengers Advisory Committee representing bus riders from San Francisco, Marin, and Sonoma Counties. The Committee will review both existing and planned bus services.

New Sonoma to Marin Commute Service. The Board authorized staff to undertake development of new bus service to address the needs of Sonoma County residents commuting to work in Marin County. Meetings between District staff and major employers were to begin early in Fiscal Year 1989-90.

GENERAL MANAGER'S REPORT

Bus Stop Improvements. Working with the county and cities and private developers in Marin, the District completed plans to improve 24 bus stops with new shelters or other features. Overall project costs are estimated at \$354,700. Funding is 79 percent from Federal Aid (FAU), 11 percent from the District, 5 percent from participating cities, and 5 percent from private developers.

Ferry Transit Division

Increased ridership resulted in the fifth best year since the District began ferry operations

The Board also made ferry use more attractive by authorizing free rides on evening ferry feeder buses. Previously, free feeder service in Marin was offered only during AM hours to the ferry terminals. Beginning July 1, 1989, feeder buses will also be free during evening hours. Free feeder bus service to and from the San Francisco ferry terminal is also provided during commute periods.

Capital Projects

Work was completed on expansion and remodeling of the Bus Transit Administration building and expansion of the Bus Maintenance building in San Rafael. Work was completed to enlarge parking at the Larkspur ferry terminal, adding 261 stalls to the previous 996 spaces, as well as dredging of the Larkspur ferry channel.

The District Board approved revised plans for an integrated transportation center in San Rafael, designed to replace the Golden Gate Transit transfer point at Fourth and Hetherton Streets with a new convenient structure serving both Golden Gate Transit and other modes of public transportation as well as Greyhound Lines.

Equal Opportunity in Employment and Contracts

The District continued to show gains in its Equal Employment program and surpassed its goals for contracting with Disadvantaged Business Enterprises during Fiscal Year 1988-89.

Of the total work force of 846 full time District employees, ethnic minorities comprised 37.2 percent and women represented 24.6 percent.

Through its Small Business program, the District provides assistance to small business concerns that are owned and controlled by socially and/or economically disadvantaged individuals or women to promote them in District contracts. The annual Disadvantaged Business Enterprise (DBE) goal for the District was set at 16 percent. During the year, DBE participation exceeded the goal, reaching a total of 28.9 percent. DBE participation in federally-funded District contracts was 55.4 percent.

Other Highlights

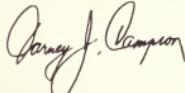
Gift Center. The District's Gift Center, located at the Toll Plaza, has become an increasingly popular spot for tourists and visitors. The Center's operating hours during tourist season were extended and the sales staff was increased. Remodeling has provided more sales space.

"Beat the Backup": In cooperation with KPIX-TV and KCBS radio, the District participated in a month long campaign to encourage the public to ride public transit or rideshare rather than drive alone on February 28, 1989. The District continues to support the efforts of RIDES to promote ridesharing in the North Bay.

In Conclusion

Every District department, at some point, played a key role in preparing and executing the new toll, fare discount, and service improvement program. The resulting success is a tribute to their professionalism.

I am proud and pleased to extend my appreciation to the employees of the District for their continuing dedication to provide the highest quality of service to our patrons.



Carney J. Campion
General Manager

INDEPENDENT AUDITOR'S REPORT

Deloitte
Haskins+Sells

a joint venture

WALLACE, MAH & LOUIE
CERTIFIED PUBLIC ACCOUNTANTS

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The Board of Directors of the
Golden Gate Bridge, Highway and
Transportation District:

We have audited the accompanying statements of financial position of the Golden Gate Bridge, Highway and Transportation District (the District) as of June 30, 1989 and 1988 and the related statements of revenues and expenses, equity and changes in financial position for the years then ended. These financial statements and the supplemental schedules discussed below are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the District for the years ended June 30, 1989 and 1988 and related statements of revenues and expenses, equity and changes in financial position for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by division for the years ended June 30, 1989 and 1988 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte Haskins + Sells

Deloitte, Haskins + Sells

San Francisco, California
September 8, 1989

FINANCIAL STATEMENTS

Statements of Financial Position June 30, 1989 and 1988 (In Thousands)

	1989	1988
ASSETS		
CURRENT ASSETS:		
Cash (Note 3)	\$ 609	\$ 208
Short-term investments (Note 3)	15,739	18,652
Capital and operating grants receivable	2,498	1,879
Accounts receivable	772	768
Maintenance inventories and supplies, at average cost	1,694	1,714
Prepaid expenses	335	294
Total current assets	<u>21,647</u>	<u>23,515</u>
DEFERRED COMPENSATION PLAN ASSETS (notes 3 and 9)	<u>6,274</u>	<u>5,109</u>
PROPERTY, PLANT AND EQUIPMENT:		
Land	6,790	6,265
Bridge, related buildings and equipment	141,360	131,435
Accumulated depreciation	<u>(32,045)</u>	<u>(29,539)</u>
Net	<u>109,315</u>	<u>101,896</u>
Transit property and equipment:		
Bus	45,563	38,404
Ferry	43,375	42,317
Accumulated depreciation	<u>(36,747)</u>	<u>33,928</u>
Net	<u>52,191</u>	<u>47,493</u>
Construction in progress	2,083	9,050
Property, plant and equipment - net	<u>170,309</u>	<u>164,704</u>
TOTAL ASSETS	<u><u>\$ 198,230</u></u>	<u><u>\$ 193,328</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	\$ 1,469	\$ 2,693
Accrued liabilities	1,114	1,222
Unredeemed tickets	3,602	143
Accrued compensated absences	3,555	3,744
Self-insurance liabilities (Note 10)	1,653	2,810
Loan payable to bank—current portion (Note 11)	102	139
Contract retentions	336	388
Total current liabilities	<u>11,831</u>	<u>11,139</u>
NONCURRENT LIABILITIES:		
Contract retentions	207	183
Accrued compensated absences	781	357
Loan payable to bank (Note 11)	783	765
Self-insurance liabilities (Note 10)	3,307	3,922
Deferred compensation plan obligations (Note 9)	6,274	5,109
Total noncurrent liabilities	<u>11,352</u>	<u>10,336</u>
EQUITY	<u>175,047</u>	<u>171,853</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 198,230</u></u>	<u><u>\$ 193,328</u></u>

See notes to financial statements.

FINANCIAL STATEMENTS

Statements of Revenues and Expenses For the Years Ended June 30, 1989 and 1988 (In thousands)

	<u>1989</u>	<u>1988</u>
REVENUES:		
Operating revenues:		
Bridge	\$ 31,696	\$ 28,033
Bus:		
Bus	10,895	10,920
Club Bus	718	684
Ferry	3,644	3,652
Friends of the Golden Gate Bridge	72	237
Total operating revenues	<u>46,955</u>	<u>43,526</u>
Operating assistance:		
State and local (Note 6)	8,158	7,545
Federal (Note 7)	1,710	1,658
Total operating assistance	<u>9,868</u>	<u>9,203</u>
Investment income	<u>1,375</u>	<u>1,411</u>
Total revenues	<u>58,198</u>	<u>54,140</u>
EXPENSES:		
Operating expenses:		
Bridge	10,829	11,304
Bus:		
Bus	25,719	26,034
Club Bus	1,126	1,086
Ferry	8,047	7,785
Friends of the Golden Gate Bridge	201	116
Total operating expenses	<u>45,922</u>	<u>46,325</u>
Repairs and maintenance:		
Bridge	6,391	6,923
Bus	5,764	5,160
Ferry	1,622	1,569
Total repairs and maintenance	<u>13,777</u>	<u>12,952</u>
Total expenses	<u>59,699</u>	<u>59,277</u>
EXCESS OF EXPENSES OVER REVENUES	(1,501)	(5,137)
AMORTIZATION OF CAPITAL GRANTS	<u>4,363</u>	<u>4,448</u>
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO EQUITY	<u>\$ 2,862</u>	<u>\$ (689)</u>

See notes to financial statements.

FINANCIAL STATEMENTS

Statements of Equity For the Years Ended June 30, 1989 and 1988 (In Thousands)

	<u>DISTRICT EQUITY</u>	<u>CAPITAL GRANT EQUITY</u> (Notes 4 and 5)	<u>FRIENDS OF THE GOLDEN GATE BRIDGE</u> (Note 11)	<u>TOTAL EQUITY</u>
BALANCE, JUNE 30, 1987	\$ 71,394	\$ 98,199	\$ (1,105)	\$ 168,488
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO EQUITY	(810)		121	(689)
AMORTIZATION OF CAPITAL GRANTS		(4,448)		(4,448)
DONATION TO DISTRICT	38			38
CAPITAL GRANTS:				
Bridge		491		491
Bus		7,470		7,470
Ferry	503			503
BALANCE, JUNE 30, 1988	70,622	102,215	(984)	171,853
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO EQUITY	2,991		(129)	2,862
AMORTIZATION OF CAPITAL GRANTS		(4,363)		(4,363)
CAPITAL GRANTS:				
Bridge		864		864
Bus		3,607		3,607
Ferry	224			224
BALANCE, JUNE 30, 1989	<u>\$ 73,613</u>	<u>\$ 102,547</u>	<u>\$ (1,113)</u>	<u>\$ 175,047</u>

See notes to financial statements.

FINANCIAL STATEMENTS

Statements of Changes in Financial Position For the Years Ended June 30, 1989 and 1988 (In Thousands)

	1989	1988
CASH PROVIDED (USED) BY OPERATIONS:		
Excess of expenses	\$ (1,501)	\$ (5,137)
Items not using cash - depreciation and amortization	6,370	6,039
Effect of working capital items:		
Operating grants receivable	(1,919)	274
Other current assets	(25)	(923)
Trade accounts payable	(1,224)	(619)
Self-insurance liabilities	(1,157)	454
Other current liabilities	3,110	662
Noncurrent liabilities, excluding loans - net increase	998	1,431
Cash provided by operations	<u>4,652</u>	<u>2,881</u>
CASH PROVIDED BY DONATIONS	<u>—</u>	<u>38</u>
CASH PROVIDED (USED) BY FINANCING ACTIVITIES:		
Loans payable to bank:		
Borrowings	910	974
Repayments	(929)	(600)
Cash provided by capital grants:		
Bridge	864	491
Bus	3,607	7,470
Ferry	224	503
Cash provided by financing activities	<u>4,676</u>	<u>8,838</u>
CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES:		
Property additions:		
Bridge	(6,949)	(2,796)
Bus	(4,094)	(7,649)
Ferry	(970)	(548)
Property disposals - net	38	210
Capital grants receivable - increase (decrease)	1,300	(427)
Deferred compensation plan assets - increase	(1,165)	(1,199)
Cash used for investment activities	<u>(11,840)</u>	<u>(12,409)</u>
CASH AND SHORT-TERM INVESTMENTS:		
Decrease for the year	(2,512)	(652)
Balance, beginning of year	<u>18,860</u>	<u>19,512</u>
Balance, end of year	<u>\$ 16,348</u>	<u>\$ 18,860</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District (the District) is a political subdivision of the State of California created by the legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States government, the State of California, and certain counties within the District.

Friends of the Golden Gate Bridge (FGGB) was incorporated in 1985 as a nonprofit public benefit corporation to establish a transportation museum related to the Golden Gate Bridge and nearby transportation facilities and to provide for historical recognition of the Bridge, including sponsorship of the May 1987 fiftieth anniversary commemoration of the opening of the Golden Gate Bridge. The District has significant control over the activities of FGGB through appointment of a majority of FGGB's Board of Trustees and approval of FGGB's major policies, plans, programs, budgets, and expenditures; however, FGGB is a separate legal entity whose obligations (except as described in Note 11) are not obligations of the District.

2. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity—The accompanying financial statements include the combined financial activities of the District and FGGB.

Basis of Accounting—The accrual basis of accounting is utilized by the District and FGGB. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Short-term investments are stated at cost which approximates current (market) value.

Deferred compensation plan assets are stated at current (market) value.

Property, plant and equipment are recorded at total cost; related capital grants are recorded as capital grant equity. Depreciation based on the total cost of property acquired with capital grants is included in expense; a credit reflecting amortization of the related capital grants is included in the excess of revenues (expenses) transferred to equity. Major additions and replacements are capitalized. Maintenance, repairs, and additions of a minor nature are expensed as incurred.

The costs of acquisition and construction of equipment and facilities are recorded in construction in progress until such assets are completed and placed in service, at which time the District commences recording depreciation expense and amortization of capital grants.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

- Bridge structural components—100 years
- Bridge buildings, toll plaza structure, deck and approach roadways and sidewalks—50 years
- Bridge roadway lighting, toll collection, and other equipment—3 to 20 years
- Buses—12 years
- Ferry boats—40 years
- Other transit property—5 to 40 years

Operating assistance grants are recorded as revenue upon approval by the grantor agencies.

Donations—FGGB operating revenues are derived from fund-raising activities and monetary donations. FGGB has also received donations of services. As is customary practice, no amounts have been recorded for donated services because no objective basis is available to measure the value of such services. Monetary donations by FGGB to the District are recorded as expenses by FGGB and donated capital by the District.

NOTES TO FINANCIAL STATEMENTS

Pension Plans—The District participates in several pension plans covering all employees. Certain union members are covered under single employer or multiemployer plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. Pension contributions are based on rates established by negotiated labor contracts or by administrators of the plans. The District's policy is to fund pension costs as accrued.

Compensated Absences—Accumulated vacation and vested sick leave are recorded as an expense and liability as the benefits accrue to employees. Sick leave vests at a rate of one-half of total sick days earned.

Postretirement Health Care Benefits—The District provides postretirement health care benefits to certain employees. The District recognizes the expense for such costs on a pay-as-you-go basis.

3. CASH AND INVESTMENTS

The District maintains cash and investments that are available for general use (subject to prior Board designations, see Note 12).

Cash and Deposits—At June 30, 1989 (and 1988), the District's cash on hand was \$208,000 (1988, \$208,000), and the carrying amount of the District's cash deposits was \$401,000 (1988, \$226,000 overdraft). The 1988 book overdraft is included in accrued liabilities. The corresponding bank deposits were \$1,585,000 (1988, \$556,000) of which \$228,000 (1988, \$120,000) was insured by federal depository insurance or collateralized by securities held by the District's agent in the District's name and \$1,357,000 (1988, \$436,000) was collateralized 110% as required by Section 53652 of the California Government Code by the pledging financial institutions. However, such collateral was not in the District's name.

Short-term investments include time certificates of deposit of \$2,450,000 (1988, \$1,250,000), of which \$200,000 (1988, \$100,000) was insured by federal depository insurance and the remainder was collateralized 110% as required by Section 53652 of the California Government Code by the pledging financial institutions. However, such collateral was not in the District's name. Deferred compensation plan assets include certificates of deposit of \$6,177,000 (1988, \$4,991,000), all of which was federally insured.

Investments—Statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, reverse repurchase agreements, and the state treasurer's investment pool.

The District's investments are categorized below (in thousands) to give an indication of the credit risk assumed by the District at June 30, 1989. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name (the District had no Category 3 investments at June 30, 1989).

NOTES TO FINANCIAL STATEMENTS

	1989			1988	
	Category 1	Carrying Amount	Market Value	Carrying Amount	Market Value
Repurchase agreements		\$ 1,300	\$ 1,300	\$ 1,150	\$ 1,150
Corporate commercial paper	\$ 4,140	4,140	4,161	4,719	4,731
Bankers' acceptances	5,006	5,006	4,992	5,740	5,763
Time deposits	2,843	2,843	2,843	793	793
Total	<u>\$11,989</u>	<u>\$ 1,300</u>	13,298	12,402	12,437
Cash on hand		208	208	208	208
Demand deposit (overdraft)		401	401	(226)	(226)
Certificates of deposit		8,626	8,626	6,242	6,242
Mutual funds		98	98	117	117
Investment in state treasurer's investment pool				5,000	5,000
Total		<u>\$92,622</u>	<u>\$92,629</u>	<u>\$23,743</u>	<u>\$23,778</u>
Reported as:					
Cash		\$ 609		\$ 208	
Accrued liabilities (representing cash overdraft)				(226)	
Short-term investments		15,739		18,652	
Deferred compensation plan investments		6,274		5,109	
Total		<u>\$92,622</u>		<u>\$23,743</u>	

4. BRIDGE DECK REPLACEMENT GRANT

The District has a grant contract with the State of California Department of Transportation (CalTrans) through which it receives Federal Highway Assistance funding for approximately 80% of the cost to replace the bridge roadway and sidewalk and make certain structural and other improvements. The total cost of this project, which is substantially completed, is estimated to be \$81 million. This grant, less related amortization, is included in capital grant equity and is summarized at June 30, 1989 as follows (in thousands):

	Project Costs Incurred	Grants Received
Fiscal 1989	\$ 5,863	\$ 864
Prior years	<u>75,190</u>	<u>58,874</u>
Subtotal	81,053	59,738
Less grants amortized		(4,328)
Total	<u>\$ 81,053</u>	<u>\$ 55,410</u>

NOTES TO FINANCIAL STATEMENTS

5. TRANSIT CAPITAL GRANTS

The District has received grants from the Urban Mass Transportation Administration which provide federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The District also receives grants under State Transit Assistance programs primarily for the acquisition of buses and related facilities. These grants, less related amortization, are included in capital grant equity and are summarized at June 30, 1989 as follows (in thousands):

	Bus Division	Ferry Division
Total approved project cost	\$ 90,310	\$ 47,672
Total approved capital grants	\$ 78,504	\$ 36,687
Less grants received or receivable	<u>(49,653)</u>	<u>(34,163)</u>
Remaining grants available	<u>\$ 28,851</u>	<u>\$ 2,524</u>
Grants credited to capital grant equity:		
Total, July 1, 1988	\$ 45,414	\$ 33,999
Additions in 1989:		
Urban Mass Transportation Administration	2,709	195
State Transit Assistance	898	29
Total, June 30, 1989	<u>49,021</u>	<u>34,223</u>
Less amounts amortized	<u>(23,940)</u>	<u>(12,167)</u>
Net grants in capital grant equity	<u>\$ 25,081</u>	<u>\$ 22,056</u>

Expenditures of transit capital grants (see above) and bridge deck grant funds (see Note 4) are subject to final review by the grantor agencies. At June 30, 1989 expenditures of approximately \$138,987,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$4,695,000 as of June 30, 1989) will be approved in full.

6. STATE AND LOCAL OPERATING ASSISTANCE

The District receives operating assistance from various state and local sources. Transportation Development Act funds are received from Sonoma and Marin counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission (MTC). State Transit Assistance funds are received directly from MTC based on the ratio of the District's transit operation revenue and local support to the revenue and local support of all state transit agencies. The District also receives Marin County Transit local funds and minor amounts of assistance from other state agencies. Operating assistance is summarized as follows for the years ended June 30, 1989 and 1988 (in thousands):

	1989	1988
Transportation Development Act	\$ 7,368	\$ 6,817
State Transit Assistance	63	31
Marin County Transit local funds	600	587
CalTrans	127	110
Total	<u>\$ 8,158</u>	<u>\$ 7,545</u>

NOTES TO FINANCIAL STATEMENTS

7. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,710,000 and \$1,658,000 of federal operating assistance for the years ended June 30, 1989 and 1988, respectively. These funds are distributed to the District by the Urban Mass Transportation Administration after approval by MTC. The 1989 funds are subject to final review and the District anticipates that they will be approved in full.

8. PENSION PLANS

PUBLIC EMPLOYEES RETIREMENT FUND

Plan Description—All permanent District employees (except bus and ferry operators and deckhands) participate in the Public Employees' Retirement Fund (the Fund) of the State of California's Public Employees' Retirement System. The Fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. The Fund provides retirement, disability, and death benefits based on employees' age, years of service, and average of three highest years compensation. Employees vest after five years of service and may receive retirement benefits commencing at age 50. These benefit provisions and all other requirements are established by state statute.

The District's actuarially determined contribution rate to the Fund was 6.076% and 8.235% of payroll for covered employees for the years ended June 30, 1989 and 1988, respectively. In lieu of salary increases in certain prior years, the District agreed to pay the 7% employee contribution for administrative employees and a majority of union employees covered by the Fund. In total, the District contributed to the Fund 11.65% and 13.60% of payroll for covered employees for the years ended June 30, 1989 and 1988, respectively. The District's covered payroll for employees participating in the Fund for the years ended June 30, 1989 and 1988 was \$18,524,000 and \$17,675,000, respectively.

Funding Status and Progress—The "pension benefit obligation" is determined for each participating employer by the Fund's actuary and is a standardized disclosure measure that results from applying actuarial assumptions to estimate the present value of pension benefits, adjusted for the effects of projected salary increases and step rate benefits, to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the District's portion of the Fund to which contributions are made on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1988, the latest available valuation. The significant actuarial assumptions used in the 1988 valuation to compute the pension benefit obligation were an assumed rate of return on investment assets of 8.5%, annual payroll increases of 5.5% attributable to inflation and 1.5% attributable to merit or seniority, and no postretirement benefit increases.

NOTES TO FINANCIAL STATEMENTS

Total unfunded pension obligation applicable to the District's employee group at June 30, 1988 and 1987 is as follows (in thousands):

	<u>1988</u>	<u>1987</u>
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 15,914	\$ 12,798
Current employees:		
Accumulated employee contributions and allocated investment earnings	12,932	11,672
Employer-financed, vested	16,174	15,036
Employer-financed, nonvested	480	431
Total pension benefit obligation	45,500	39,937
Net assets available for benefits, at cost (total current (market) value, 1988, \$50,065; 1987, \$48,784)	44,266	38,965
Unfunded pension benefit obligation	<u>\$ 1,234</u>	<u>\$ 972</u>

Actuarially Determined Contributions Required and Contributions Made—The funding policy of the Fund provides for actuarially determined periodic contributions by the District at rates such that sufficient assets will be available to pay Fund benefits when due. The District's contribution to the Fund for the years ended June 30, 1989 and 1988 was made in accordance with the actuarially determined requirements computed as of June 30, 1988 and 1987, respectively. The total pension expense and funded contribution for the year ended June 30, 1989 was \$2,158,000 (1988, \$2,397,000) which consisted of (a) \$2,146,000 (1988, \$2,017,000) normal cost (11.58% (1988, 11.4%) of current covered payroll) and (b) \$12,000 (1988, \$380,000) amortization of the unfunded actuarial liability (0.07% (1988, 2.15%) of current covered payroll).

The contribution rate for normal cost is determined using the entry-age normal funding method. The Fund uses the same method to amortize the unfunded liability over an eleven-year period.

Significant actuarial assumptions used in the 1988 valuation to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

Three-Year Historical Trend Information—Trend information for the Fund prior to 1987 and for 1989 is unavailable. For the District's portion of the Fund, trend information for the years ended June 30, 1988 and 1987 follows (dollars in thousands):

	<u>1988</u>	<u>1987</u>
Net assets available for benefits, at cost	\$ 44,266	\$ 38,965
Pension benefit obligation	\$ 45,500	\$ 39,937
Net assets available for benefits as a percentage of pension benefit obligation	97%	96%
Pension benefit obligation in excess of assets available	\$ 1,234	\$ 972
Annual covered payroll	\$ 17,675	\$ 17,209
Unfunded pension benefit obligation as a percentage of annual covered payroll	7%	6%
District contribution as a percentage of annual covered payroll	14%	15%

NOTES TO FINANCIAL STATEMENTS

GOLDEN GATE TRANSIT—AMALGAMATED RETIREMENT PLAN

Plan Description—The District's bus operators participate in the Golden Gate Transit - Amalgamated Retirement Plan (Amalgamated), a defined benefit pension plan funded by the District and administered by a Board of Trustees consisting of District and union representatives. This plan provides retirement, disability, and death benefits based on employees' age, years of service, and average of three highest years compensation. Employees may receive normal retirement benefits with 20 years of service at age 65. These benefit provisions and all other requirements are established through collective bargaining.

The District contributed to Amalgamated 15.16% of payroll for covered employees for the years ended June 30, 1989 and 1988. The District's covered payroll for employees participating in Amalgamated for the years ended June 30, 1989 and 1988 was \$9,750,000 and \$9,309,000, respectively.

Funding Status and Progress—Actuarial data as of June 30, 1989, including the District's actuarial present value of future benefits discussed below, has not been prepared by actuaries in accordance with Governmental Accounting Standards Board Statement No.5, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers" (GASB No. 5). These disclosures are based on actuarial data prepared in accordance with requirements in effect prior to GASB No.5, and District management believes such actuarial data provides a fair representation of the District's funding status and progress. The next actuarial valuation is scheduled for December 31, 1989.

The actuarial present value of future benefits for Amalgamated is determined by Amalgamated's actuary and is that amount which results from applying actuarial assumptions to adjust future benefits (to be earned in the future as well as those already accrued) to reflect the time value of money and the probability of payment between the valuation date and expected date of payment.

The actuarial present value of future benefits was computed as part of an actuarial valuation performed as of December 31, 1987, the latest available. The significant actuarial assumptions used in the 1987 valuation to compute the present value of future benefits were an assumed rate of return on investment assets of 8%, and annual payroll increases of 6.5%.

The unfunded actuarial liability at December 31, 1987 follows (in thousands):

Actuarial present value of future benefits	\$ 31,474
Actuarial assets available for benefits, at average of cost and market (total market value, \$29,754)	<u>29,435</u>
Unfunded actuarial liability	<u>\$ 2,039</u>

Actuarially Determined Contributions Required and Contributions Made—The District's contribution to Amalgamated for the years ended June 30, 1989 and 1988 was made in accordance with the actuarially determined requirements computed as of December 31, 1987. The total pension expense and funded contribution for the year ended June 30, 1989 was \$1,479,000 (1988, \$1,411,000) which consisted of (a) \$1,365,000 (1988, \$1,303,000) normal cost (14% (1988, 14%) of current covered payroll) and (b) \$114,000 (1988, \$108,000) amortization of the unfunded actuarial liability (1.16% (1988, 1.16%) of current covered payroll.)

The contribution rate for normal cost is determined using the entry-age normal funding method. The Fund uses the same method to amortize the unfunded liability over a seventeen and one-half year period.

NOTES TO FINANCIAL STATEMENTS

OTHER RETIREMENT PLANS

The District's ferry operators and deckhands participate in either the Inlandboatmen's Union of the Pacific National Pension Plan (Inlandboatmen's) or the MEBA Towboat Operators Pension Trust (MEBA). Inlandboatmen's and MEBA are union administered multiemployer plans in which the District is a participant. Comparable information, on the District's portion of such plans, is not available. The unfunded liability as of the most recent actuarial valuations was \$1,166,000 at July 1, 1988 for the Inlandboatmen's and \$601,000 at December 1, 1986 for the MEBA. Pension expense for these plans for the years ended June 30, 1989 and 1988 was \$208,000 and \$201,000, respectively.

9. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan, adopted under Internal Revenue Code Section 457(b), which provides for the deferral of a portion of participating employees' compensation until retirement, termination, or certain other covered events. As required by IRC §457, plan assets remain the property of the District until paid or made available to participants, subject only to the District's general creditors. Plan assets are held by an administrator in a segregated fund and are invested primarily in certificates of deposit. Benefits due under the plan are fully funded.

10. COMMITMENTS AND CONTINGENCIES

Contractual Claims—The District is a defendant in a lawsuit by a shipyard contractor which performed the ferry diesel engine conversion project. The lawsuit requests additional compensation of \$3,450,000 for delays and cost overruns allegedly caused by the District. Based on the advice of counsel, the District believes that the lawsuit is substantially without merit and intends to vigorously contest the claim. Management believes that the outcome will not have a material effect on the District's financial position.

Insured and Uninsured Risks—There are claims and litigation pending which are considered normal to the District's operation of the bridge and transit systems. In general, the District is insured for risks where coverage is available and considered to be cost-effective. The District is self-insured for public liability risk for bridge and bus divisions. Workers' compensation coverage has a deductible of \$300,000 for each occurrence for all divisions. Provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies and for self-insured losses.

Commitments—At June 30, 1989, the District had commitments of approximately \$129,000 for its share of the bridge deck replacement project and approximately \$162,000 for transit equipment and other projects.

11. FRIENDS OF THE GOLDEN GATE BRIDGE

The condensed financial position of FGGB at June 30, 1989 and 1988 is as follows (in thousands):

	1989	1988
Assets (principally cash)	\$ 10	\$ 21
Liabilities:		
Accounts payable and accrued liabilities	15	
Advances from District	238	86
Loan payable to Bank	885	904
Total	<u>1,123</u>	<u>1,005</u>
FGGB fund deficit	<u><u>\$(1,113)</u></u>	<u><u>\$(984)</u></u>

NOTES TO FINANCIAL STATEMENTS

In January 1989, the Board of Trustees of FGGB authorized a plan to restructure FGGB's obligations; such plan was also approved by the District's Board of Directors. As part of the restructuring plan in March 1989, a new loan from agreement with a six-year term was executed with FGGB's bank which increased the loan from \$904,000 to \$910,000. Principal and interest at the bank's reference rate less 1% is payable quarterly; principal may be prepaid at any time without penalty. The new loan proceeds were used to repay FGGB's previous loan and to pay certain FGGB creditors. FGGB intends to repay the bank loan from the proceeds of future revenue-raising activities. The District has approved a limited guarantee of FGGB's bank loan to the extent of the District's Fund balance designated for the Museum Fund, which is funded by the net revenues of the gift center and visitors' parking lot (\$744,000 in fiscal year 1989), up to the outstanding loan balance; such guarantee does not extend to the District's toll, operating, and other revenues. At June 30, 1989 the District had advanced \$238,000 to FGGB under this guarantee.

12. DISTRICT-DESIGNATED FUNDS

The Board of Directors has designated portions of the District's available funds (excluding funds of FGGB) for replacement of the bridge deck and transit equipment and for other anticipated expenditures or possible emergencies. An analysis of District-designated funds at June 30 follows (in thousands):

	1989	1988
District net current assets	\$ 10,145	\$ 12,595
Add (deduct):		
Accrued compensated absences	3,555	3,744
Maintenance inventories and supplies	(1,694)	(1,714)
Prepaid expenses	<u>(335)</u>	<u>(294)</u>
Total available funds	<u>11,671</u>	<u>14,331</u>
Less District-imposed designations for:		
Replacement of bridge deck	152	152
Replacement of buses and ferry boats	4,000	4,000
Insurance claims	3,378	3,672
Emergencies	1,324	5,000
Museum fund	825	367
Power cable replacement	300	—
Transit center	<u>104</u>	<u>87</u>
Total designated funds	<u>10,083</u>	<u>13,278</u>
Total nondesignated funds	<u>\$ 1,588</u>	<u>\$ 1,053</u>

13. ALLOCATION OF DISTRICT DIVISION EXPENSE

District Division expense has been allocated to the operating divisions by resolution of the Board of Directors as follows (in thousands):

	1989	1988
Bridge	\$ 3,510	\$ 3,366
Bus	3,488	3,403
Ferry	926	833
Total	<u>\$ 7,924</u>	<u>\$ 7,602</u>

FINANCIAL STATEMENTS

**Supplemental Schedules of Revenues and Expenses by Division
For the Years Ended June 30, 1989 and 1988 (In Thousands)**

	TOTAL		BRIDGE DIVISION	
	1989	1988	1989	1988
REVENUES:				
Operating revenues	<u>\$ 46,955</u>	<u>\$ 43,526</u>	<u>\$31,696</u>	<u>\$28,033</u>
Operating assistance:				
State and local	8,158	7,545	127	111
Federal	1,710	1,658		
Total operating assistance	<u>9,868</u>	<u>9,203</u>	<u>127</u>	<u>111</u>
Investment income	1,375	1,411	1,375	1,411
Total revenues	<u>58,198</u>	<u>54,140</u>	<u>33,198</u>	<u>29,555</u>
EXPENSES:				
Operating expenses	45,922	46,325	10,829	11,304
Repairs and maintenance	13,777	12,952	6,391	6,923
Total expenses	<u>59,699</u>	<u>59,277</u>	<u>17,920</u>	<u>17,527</u>
EXCESS OF REVENUES (EXPENSES)	(1,501)	(5,137)	15,978	12,028
AMORTIZATION OF CAPITAL GRANTS	4,363	4,448	1,066	1,939
EXCESS OF REVENUES (EXPENSES) TRANSFERRED TO EQUITY	<u>\$ 2,862</u>	<u>\$ (689)</u>	<u>\$17,044</u>	<u>\$13,967</u>

FINANCIAL STATEMENTS

BUS DIVISION				FERRY DIVISION		FRIENDS OF THE GOLDEN GATE BRIDGE	
BUS		CLUB BUS		1989		1988	
1989	1988	1989	1988	1989	1988	1989	1988
\$ 10,825	\$ 10,920	\$ 718	\$ 684	\$ 3,644	\$ 3,652	\$ 72	\$ 237
6,718	6,228			1,313	1,206		
1,376	1,324			334	334		
<u>8,094</u>	<u>7,552</u>			<u>1,647</u>	<u>1,540</u>		
18,919	18,472	718	684	5,291	5,192	72	237
25,719	26,034	1,126	1,086	8,047	7,785	201	116
5,764	5,160	1,126	1,086	1,622	1,569	201	116
<u>31,483</u>	<u>31,194</u>			<u>9,669</u>	<u>9,354</u>		
(12,564)	(12,722)	(408)	(402)	(4,378)	(4,162)	(129)	121
2,207	2,401	—	—	1,090	108	—	—
<u>\$ (10,357)</u>	<u>\$ (10,321)</u>	<u>\$ (408)</u>	<u>\$ (402)</u>	<u>\$ (3,288)</u>	<u>\$ (4,054)</u>	<u>\$ (129)</u>	<u>\$ (121)</u>

OFFICERS, MANAGERS & DEPARTMENT HEADS



Carney J. Campion
General Manager



Gene P. Rexrode
Secretary



John J. Quigley
Auditor-Controller



Daniel E. Mohn
Chief Engineer



David J. Miller
Attorney



Robert A. Warren
Bridge Division Manager



H. Donald White
Bus Division Manager



Eric A. Robinson
Ferry Division Manager



Candice Gonzalez
Small Business Officer



Jerome Kuykendall
Planning Director



James O'Hare
Information Systems Director



Margaret Heaston-Rumford
Personnel Director



William Rumford
Chief of Security



Bruce Selby
Marketing Director



Loai von der Werth
District Services Director

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Wendy Nelder
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Bob Ross
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Nancy G. Walker
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